

# TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT OF 2007

Mr. FRANK of Massachusetts. Mr. Speaker, pursuant to House Resolution 862, I call up the bill (H.R. 4299) to extend the Terrorism Insurance Program of the Department of the Treasury, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 4299

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

## SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Terrorism Risk Insurance Program Reauthorization Act of 2007”.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Definition of act of terrorism.
- Sec. 3. Reauthorization of the program.
- Sec. 4. Annual liability cap.
- Sec. 5. Enhanced reports to Congress.
- Sec. 6. Coverage of group life insurance.
- Sec. 7. Large event reset.
- Sec. 8. Availability of life insurance without regard to lawful foreign travel.
- Sec. 9. Program trigger.
- Sec. 10. Applicability.

## SEC. 2. DEFINITION OF ACT OF TERRORISM.

Section 102(1)(A)(iv) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended by striking “acting on behalf of any foreign person or foreign interest”.

## SEC. 3. REAUTHORIZATION OF THE PROGRAM.

(a) TERMINATION DATE.—Section 108(a) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended by striking “2007” and inserting “2014”.

(b) ADDITIONAL PROGRAM YEARS.—Section 102(11) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended by adding at the end the following:

“(G) ADDITIONAL PROGRAM YEARS.—Except when used as provided in subparagraphs (B) through (F), the term ‘Program Year’ means, as the context requires, any of Program Year 1, Program Year 2, Program Year 3, Program Year 4, Program Year 5, or any of calendar years 2008 through 2014.”

(c) CONFORMING AMENDMENTS.—The Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended—

(1) in section 102(7)(F)—

(A) by inserting “and each Program Year thereafter” before “, the value”; and

(B) by striking “preceding Program Year 5” and inserting “preceding that Program Year”;

(2) in section 103(e)(1)(A), by inserting “and each Program Year thereafter” after “Year 5”;

(3) in section 103(e)(1)(B)(ii), by inserting before the period at the end “and any Program Year thereafter”;

(4) in section 103(e)(2)(A), by striking “of Program Years 2 through 5” and inserting “Program Year thereafter”;

(5) in section 103(e)(3), by striking “of Program Years 2 through 5,” and inserting “other Program Year”; and

(6) in section 103(e)(6)(E), by inserting “and any Program Year thereafter” after “Year 5”.

## SEC. 4. ANNUAL LIABILITY CAP.

(a) IN GENERAL.—Section 103(e)(2) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended—

(1) in subparagraph (A)—

(A) by striking “(until such time as the Congress may act otherwise with respect to such losses)”;

(B) in clause (ii), by striking “that amount” and inserting “the amount of such losses”; and

(2) in subparagraph (B), by inserting before the period at the end “, except that, notwithstanding paragraph (1) or any other provision of Federal or State law, no insurer may be required to make any payment for insured losses in excess of its deductible under section 102(7) combined with its share of insured losses under paragraph (1)(A) of this subsection”.

(b) NOTICE TO CONGRESS.—Section 103(e)(3) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended—

(1) by adding at the end the following: “The Secretary shall provide an initial notice to Congress not later than 15 days after the date of an act of terrorism, stating whether the Secretary estimates that aggregate insured losses will exceed \$100,000,000,000.”; and

(2) by striking “and the Congress shall” and all that follows through the end of the paragraph and inserting a period.

(c) REGULATIONS FOR PRO RATA PAYMENTS; REPORT TO CONGRESS.—Section 103(e)(2)(B) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended—

(1) by striking “For purposes” and inserting the following:

“(i) IN GENERAL.—For purposes”; and

(2) by adding at the end the following:

“(ii) REGULATIONS.—Not later than 240 days after the date of enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2007, the Secretary shall issue final regulations for determining the pro rata share of insured losses under the Program when insured losses exceed \$100,000,000,000, in accordance with clause (i).”

(iii) REPORT TO CONGRESS.—Not later than 120 days after the date of enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2007, the Secretary shall provide a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives describing the process to be used by the Secretary for determining the allocation of pro rata payments for insured losses under the Program when such losses exceed \$100,000,000,000.”

(d) DISCLOSURE.—Section 103(b) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(2) by inserting after paragraph (2) the following:

“(3) in the case of any policy that is issued after the date of enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2007, the insurer provides clear and conspicuous disclosure to the policyholder of the existence of the \$100,000,000,000 cap under subsection (e)(2), at the time of offer, purchase, and renewal of the policy.”

(e) SURCHARGES.—Section 103(e) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended—

(1) in paragraph (7)—

(A) in subparagraph (C), by inserting “133 percent of” before “any mandatory recoupment”; and

(B) by adding at the end the following:

“(E) TIMING OF MANDATORY RECOUPMENT.—

“(i) IN GENERAL.—If the Secretary is required to collect terrorism loss risk-spreading premiums under subparagraph (C)—

“(I) for any act of terrorism that occurs on or before December 31, 2010, the Secretary shall collect all required premiums by September 30, 2012;

“(II) for any act of terrorism that occurs between January 1 and December 31, 2011, the Secretary shall collect 35 percent of any re-

quired premiums by September 30, 2012, and the remainder by September 30, 2017; and

“(III) for any act of terrorism that occurs on or after January 1, 2012, the Secretary shall collect all required premiums by September 30, 2017.”

“(ii) REGULATIONS REQUIRED.—Not later than 180 days after the date of enactment of this subparagraph, the Secretary shall issue regulations describing the procedures to be used for collecting the required premiums in the time periods referred to in clause (i).

“(F) NOTICE OF ESTIMATED LOSSES.—Not later than 90 days after the date of an act of terrorism, the Secretary shall publish an estimate of aggregate insured losses, which shall be used as the basis for determining whether mandatory recoupment will be required under this paragraph. Such estimate shall be updated as appropriate, and at least annually.”; and

(2) in paragraph (8)—

(A) in subparagraph (C)—

(i) by striking “(including any additional amount included in such premium” and inserting “collected”; and

(ii) by striking “(D)” and inserting “(D)”;

and

(B) in subparagraph (D)(ii), by inserting before the period at the end “, in accordance with the timing requirements of paragraph (7)(E)”.

## SEC. 5. ENHANCED REPORTS TO CONGRESS.

(a) STUDY AND REPORT ON INSURANCE FOR NUCLEAR, BIOLOGICAL, CHEMICAL, AND RADIOLOGICAL TERRORIST EVENTS.—Section 108 of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended by adding at the end the following:

“(f) INSURANCE FOR NUCLEAR, BIOLOGICAL, CHEMICAL, AND RADIOLOGICAL TERRORIST EVENTS.—

“(1) STUDY.—The Comptroller General of the United States shall examine—

“(A) the availability and affordability of insurance coverage for losses caused by terrorist attacks involving nuclear, biological, chemical, or radiological materials;

“(B) the outlook for such coverage in the future; and

“(C) the capacity of private insurers and State workers compensation funds to manage risk associated with nuclear, biological, chemical, and radiological terrorist events.”

“(2) REPORT.—Not later than 1 year after the date of enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2007, the Comptroller General shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report containing a detailed statement of the findings under paragraph (1), and recommendations for any legislative, regulatory, administrative, or other actions at the Federal, State, or local levels that the Comptroller General considers appropriate to expand the availability and affordability of insurance for nuclear, biological, chemical, or radiological terrorist events.”

(b) STUDY AND REPORT ON AVAILABILITY AND AFFORDABILITY OF TERRORISM INSURANCE IN SPECIFIC MARKETS.—Section 108 of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended by adding at the end the following:

“(g) AVAILABILITY AND AFFORDABILITY OF TERRORISM INSURANCE IN SPECIFIC MARKETS.—

“(1) STUDY.—The Comptroller General of the United States shall conduct a study to determine whether there are specific markets in the United States where there are unique capacity constraints on the amount of terrorism risk insurance available.

“(2) ELEMENTS OF STUDY.—The study required by paragraph (1) shall contain—

“(A) an analysis of both insurance and reinsurance capacity in specific markets, including pricing and coverage limits in existing policies;

“(B) an assessment of the factors contributing to any capacity constraints that are identified; and

“(C) recommendations for addressing those capacity constraints.”

“(3) REPORT.—Not later than 180 days after the date of enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2007, the Comptroller General shall submit a report on the study required by paragraph (1) to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives.”

(c) ONGOING REPORTS.—Section 108(e) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended—

(1) in paragraph (1)—

(A) by inserting “ongoing” before “analysis”; and

(B) by striking “, including” and all that follows through the end of the paragraph, and inserting a period; and

(2) in paragraph (2)—

(A) by inserting “and” and thereafter in 2010 and 2013,” after “2006.”; and

(B) by striking “subsection (a)” and inserting “paragraph (1)”.

#### SEC. 6. COVERAGE OF GROUP LIFE INSURANCE.

(a) FINDINGS AND PURPOSE.—Section 101 of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended—

(1) in subsection (a)—

(A) in paragraph (5), by striking “and” at the end;

(B) by redesignating paragraph (6) as paragraph (8); and

(C) by inserting after paragraph (5) the following new paragraphs:

“(6) group life insurance companies are important financial institutions whose products make life insurance coverage affordable for millions of Americans and often serve as their only life insurance benefit;

“(7) the group life insurance industry, in the event of a severe act of terrorism, is vulnerable to insolvency because high concentrations of covered employees work in the same locations, because primary group life insurers do not exclude terrorism risks while most catastrophic reinsurance does exclude such risks, and because a large-scale loss of life would fall outside of actuarial expectations of death; and”;

(2) in subsection (b)(1), by inserting “and group life insurance” after “property and casualty insurance”.

(b) DEFINITIONS.—Section 102 of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note), as amended by the preceding provisions of this Act, is further amended—

(1) in paragraph (1)(B)(ii), by inserting “and group life insurance” before “losses”;

(2) in paragraph (5), in the matter preceding subparagraph (A)—

(A) by inserting “, or group life insurance to the extent of the amount at risk,” after “property and casualty insurance”;

(B) by inserting a comma after “insurer”;

(C) by adding after and below subparagraph (B) the following:

“Such term shall not include any losses of an insurer resulting from coverage of any single certificate holder under any group life insurance coverages of the insurer to the extent such losses are not compensated under the Program by reason of section 103(e)(1)(D).”;

(3) in paragraph (6)—

(A) in subparagraph (A)(i), by inserting “, or group life insurance,” after “excess insurance”;

(B) in subparagraph (B), by inserting “or, in the case of group life insurance, that receives direct premiums,” after “insurance coverage,”;

(4) in paragraph (7)—

(A) in subparagraph (F)—

(i) by striking the first comma and inserting “(i) with respect to property and casualty insurance,”; and

(ii) by inserting before the semicolon the following: “(ii) with respect to group life insurance, the value of an insurer’s amount at risk for a covered line of insurance over the calendar year immediately preceding such Program Year, multiplied by 0.0351 percent”;

(B) in subparagraph (G)—

(i) by inserting “with respect to property and casualty insurance, and such portion of the amounts at risk with respect to group life insurance,” after “such portion of the direct earned premiums”; and

(ii) by inserting “and amounts at risk” after “such direct earned premiums”;

(5) by redesignating paragraph (16) as paragraph (18); and

(6) by inserting after paragraph (15) the following new paragraphs:

“(16) GROUP LIFE INSURANCE.—The term ‘group life insurance’ means an insurance contract that provides life insurance coverage, including term life insurance coverage, universal life insurance coverage, variable universal life insurance coverage, and accidental death coverage, or a combination thereof, for a number of individuals under a single contract, on the basis of a group selection of risks, but does not include ‘Corporate Owned Life Insurance’ or ‘Business Owned Life Insurance,’ each as defined under the Internal Revenue Code of 1986, or any similar product, or group life reinsurance or retrocessional reinsurance.

“(17) AMOUNT AT RISK.—The term ‘amount at risk’ means face amount less statutory policy reserves for group life insurance issued by any insurer for insurance against losses occurring at the locations described in subparagraph (A) of paragraph (5).”.

(c) MANDATORY AVAILABILITY.—Section 103(c) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended by striking “During each Program Year” and all that follows through “property and casualty insurance” in paragraph (2) and inserting the following:

“(1) AVAILABILITY OF COVERAGE FOR INSURED LOSSES.—During each Program Year, each entity that meets the definition of an insurer under section 102 shall make available, in all of its insurance policies for property and casualty insurance and in all of its insurance policies for group life insurance.”.

(d) FEDERAL SHARE OF COMPENSATION.—Section 103(e)(1) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended by adding at the end the following new subparagraph:

“(D) LIMITATION ON COMPENSATION FOR GROUP LIFE INSURANCE.—Notwithstanding any other provision of this Act, the Federal share of compensation under the Program paid by the Secretary for insured losses of an insurer resulting from coverage of any single certificate holder under any group life insurance coverages of the insurer may not during any Program Year exceed \$1,000,000.”.

(e) SEPARATE RETENTION POOL.—Section 103(e)(6)(E) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended by striking clauses (i) and (ii) and inserting the following new clauses:

“(i) for property and casualty insurance, the lesser of—

“(I) \$27,500,000,000; and

“(II) the aggregate amount, for all such insurance, of insured losses during such Program Year; and

“(ii) for group life insurance, the lesser of—

“(I) \$5,000,000,000; and

“(II) the aggregate amount, for all such insurance, of insured losses during such Program Year.”.

(f) SEPARATE RECOUPMENT.—Section 103(e)(7) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note), as amended by the preceding provisions of this Act, is further amended—

(1) in subparagraph (A)—

(A) in clause (i), by inserting “applicable” before “insurance”; and

(B) in clause (ii), by striking “all insurers” and inserting “all applicable insurers (pursuant to subparagraph (G))”;

(2) in subparagraph (B)—

(A) in the heading, by inserting “APPLICABLE” before “INSURANCE”; and

(B) by inserting “applicable” before “insurance”;

(3) by adding at the end the following new subparagraph:

“(G) SEPARATE RECOUPMENT.—‘The Secretary shall provide that—

“(i) any recoupment under this paragraph of amounts paid for Federal financial assistance for insured losses for property and casualty insurance shall be applied to property and casualty insurance policies; and

“(ii) any recoupment under this paragraph of amounts paid for Federal financial assistance for insured losses for group life insurance shall be applied to group life insurance policies.”.

(g) POLICY SURCHARGE FOR TERRORISM LOSS RISK-SPREADING PREMIUMS.—Section 103(e)(8) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended—

(1) in subparagraph (A)—

(A) in the matter preceding clause (i), by striking “Any” and inserting “Subject to paragraph (7)(G), any”;

(B) in clause (i), by inserting “and group life insurance policies” after “policies”;

(C) by striking clause (iii) and inserting the following new clause:

“(iii) be based on—

“(I) a percentage of the premium amount charged for property and casualty insurance coverage under the policy; and

“(II) a percentage of the amount at risk for group life insurance coverage under the policy.”; and

(2) in subparagraph (C)—

(A) by inserting “with respect to property and casualty insurance,” after “annual basis,”; and

(B) by inserting before the period at the end the following: “and, with respect to group life insurance, the amount equal to 0.0053 percent of the amount at risk for covered lines under the policy”.

#### SEC. 7. LARGE EVENT RESET.

The Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended—

(1) in section 102(7)—

(A) in subparagraph (F), by striking “and” at the end;

(B) in subparagraph (G), by striking the period at the end and inserting “; and”;

(C) by adding at the end the following new subparagraph:

“(H) notwithstanding subparagraph (F)(i), if aggregate industry insured losses resulting from a certified act of terrorism exceed \$1,000,000,000, for any insurer that sustains insured losses resulting from such act of terrorism, the value of such insurer’s direct earned premiums over the calendar year immediately preceding the Program Year, multiplied by a percentage, which—

“(i) for the Program Year consisting of calendar year 2008 shall be 5 percent; and

“(ii) for each Program Year thereafter, shall be 50 basis points greater than the percentage applicable to the preceding Program

Year, except that if an act of terrorism occurs during any such Program Year that results in aggregate industry insured losses exceeding \$1,000,000,000, the percentage for the succeeding Program Year shall be 5 percent and the increase under this clause shall apply to Program Years thereafter;

except that for purposes of determining under this subparagraph whether aggregate industry insured losses exceed \$1,000,000,000, the Secretary may combine insured losses resulting from two or more certified acts of terrorism occurring during such Program Year in the same geographic area (with such area determined by the Secretary), in which case such insurer shall be permitted to combine insured losses resulting from such acts of terrorism for purposes of satisfying its insurer deductible under this subparagraph; and except that the insurer deductible under this subparagraph shall apply only with respect to compensation of insured losses resulting from such certified act, or combined certified acts, and that for purposes of compensation of any other insured losses occurring in the same Program Year, the insurer deductible determined under subparagraph (F)(i) shall apply.”; and

(2) in section 103(e)(1)(B)—

(A) in clause (ii), by striking the period at the end and inserting a semicolon; and

(B) by adding after and below clause (ii) the following:

“except that if a certified act of terrorism occurs for which resulting aggregate industry insured losses exceed \$1,000,000,000, the applicable amount for any subsequent certified act of terrorism shall be the amount specified in section 102(1)(B)(ii).”

#### **SEC. 8. AVAILABILITY OF LIFE INSURANCE WITHOUT REGARD TO LAWFUL FOREIGN TRAVEL.**

Section 103(c) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new paragraph:

“(2) AVAILABILITY OF LIFE INSURANCE WITHOUT REGARD TO LAWFUL FOREIGN TRAVEL.—During each Program Year, each entity that meets the definition of an insurer under section 102 and any other entity that issues insurance contracts that provide life insurance coverage shall make available, in all of its life insurance policies issued after the date of the enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2007 under which the insured person is a citizen of the United States or an alien lawfully admitted for permanent residence in the United States, coverage that neither considers past, nor precludes future, lawful foreign travel by the person insured, and shall not decline such coverage based on past or future, lawful foreign travel by the person insured or charge a premium for such coverage that is excessive and not based on a good faith actuarial analysis, except that an insurer may decline or, upon inception or renewal of a policy, limit the amount of coverage provided under any life insurance policy based on plans to engage in future lawful foreign travel to occur within 12 months of such inception or renewal of the policy but only if, at time of application—

“(A) such declination is based on, or such limitation applies only with respect to, travel to a foreign destination—

“(i) for which the Director of the Centers for Disease Control and Prevention of the Department of Health and Human Services has issued a highest level alert or warning, including a recommendation against non-essential travel, due to a serious health-related condition;

“(ii) in which there is an ongoing military conflict involving the armed forces of a sov-

ereign nation other than the foreign destination to which the insured person is traveling; or

“(iii)(I) that the insurer has specifically designated in the terms of the life insurance policy at the inception of the policy or at renewal, as applicable; and

“(II) with respect to which the insurer has made a good-faith determination that—

“(aa) a serious fraudulent situation exists which is ongoing; and

“(bb) the credibility of information by which the insurer can verify the death of the insured person is substantially compromised; and

“(B) in the case of any limitation of coverage, such limitation is specifically stated in the terms of the life insurance policy at the inception of the policy or at renewal, as applicable.”.

#### **SEC. 9. PROGRAM TRIGGER.**

Section 103(e)(1)(B)(ii) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is amended by striking “\$100,000,000” and inserting “\$50,000,000”.

#### **SEC. 10. APPLICABILITY.**

The amendments made by this Act shall apply beginning on January 1, 2008. The provisions of the Terrorism Risk Insurance Act of 2002, as in effect on the day before the date of the enactment of this Act, shall apply through the end of December 31, 2007.

The SPEAKER pro tempore (Mr. ISRAEL). Pursuant to House Resolution 862, the gentleman from Massachusetts (Mr. FRANK) and the gentleman from Alabama (Mr. BACHUS) each will control 30 minutes.

The Chair recognizes the gentleman from Massachusetts.

#### **GENERAL LEAVE**

Mr. FRANK of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and insert extraneous material on the pending legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FRANK of Massachusetts. I yield myself such time as I may consume.

Mr. Speaker, the House passed a version of the terrorism risk insurance program by a large vote, 300-something to 100-something, earlier this year. It happened after a very open process at the subcommittee and committee level. We had a very good set of meetings. There were concerns raised. I think there was general agreement that terrorism insurance had to go forward, but there were some very legitimate debates about how to do it. Not all of them, obviously, have been resolved.

□ 1500

We had, unusual for our committee and I think maybe for other committees, a full markup in subcommittee followed by a full markup in committee. The bill that emerged was much closer to a consensus product, although obviously not unanimous. There were amendments offered by both sides. There were bipartisan compromises worked out. We came to the floor. It wasn't as open a process as I would have hoped, but it still rep-

resented, we thought, a fairly good piece of legislation, and, of course, it got well over 70 percent of the House Members voting for it. Then it went to the Senate and nothing happened for a very long time, and I regret that. We had hoped that we could continue this process and in fact have a conference. The Senate did not act.

Finally, the Senate acted and sent us a bill which was an extension of the current program, better in my view than the current program, not as comprehensive as the bill we passed. And we were told by the Senate, as we have been from time to time this year: This is all we can do. Take it or leave it. That seemed to me to be a problem and, now, not so much for substance as for institutional concerns. Members have asked, well, in the end we may just have to accept what the Senate sent us. That is possible, and we have preserved the option to do that.

Let me be very clear, Mr. Speaker. We are here dealing with a new bill that we introduced. The Senate bill still sits at the desk. It will be available if the Senate continues to refuse to act in any kind of a bicameral manner. But I am not ready to give up yet, Mr. Speaker, on some important issues, the most important of which is the institutional one. It is simply not in the spirit of the United States Constitution for one of the Houses to say, this is it, take it or leave it, especially when you contrast the way in which the two Houses acted. We had subcommittee and committee markup and debate on the floor. The Senate had one of their not very open processes. The bill emerged from some quiet conversations among the senior members of both parties and went to the floor, no amendments, no votes, here it is. As I said, I regret that. We may not be able to prevent it from happening in this instance. I do think it is important for us to send the message that we do not want to see this sort of procedure repeated.

So what we did was to in effect have a virtual conference. We looked at the Senate bill, we looked at our bill, and we came up with what I think might well have resulted had there been a conference. The bill we passed had a 15-year extension. The reason for a long extension is that we are talking here about building projects. We are talking about the need for terrorism risk insurance if we are to get large commercial buildings, or residential, but especially commercial buildings built in our big cities. You can't get those buildings obviously without bank loans and you can't get the bank loans without insurance. That is why the Chamber of Commerce scores this as an important bill, why the real estate industry, the cities, a whole range of business and urban interests tell us this is important. And you need to have some assurance of a timeframe in which to build. We thought 15 years. The Senate said 7 years. We didn't here come with a split-the-difference. We have accepted

the Senate's 7 years. We were told at the last minute that there was a PAYGO problem in a calculation by the Congressional Budget Office that I still do not understand, but we have no option but to abide by it. We came up with a PAYGO solution which was not a very good one. The Senate came up with, and I give them credit here, a much better PAYGO solution. They had more time to work on it, but they did it well. We have accepted the Senate PAYGO solution. So we accept that term of years, we accept that PAYGO solution.

We had also broadened this from simply being in case a building was destroyed to include group life insurance and protection against what sadly we cannot rule out, nuclear, biological, chemical, or radiological attacks. The Senate rejected both of those. We split the difference. We accepted their rejection of nuclear, biological, chemical and radiological attacks. We did feel that group life insurance should be in. I should say that including the group life provision is something that was called to our attention on a bipartisan basis from Members from Florida which says that you should not have your life insurance cancelled if you go to Israel. That is basically what we are talking about, or maybe some other areas where the insurance companies think there is a problem when there isn't one. And we checked, and the number of payoffs they have had to make of people who died going to Israel or other countries on their list is negligible, zero, from what we could tell. So we included a provision in our bill that was overwhelmingly supported by both sides, to say that there were rules; not that you couldn't deny someone life insurance if they were going to a hazardous area, but that you had to have a rational process by which you defined that.

We put group life back in. Members will remember that after the 2001 mass murders of so many innocent Americans by vicious thugs, we adopted a very expensive program to compensate people. A better way to do that would be to have this group life insurance as part of the terrorism risk insurance.

And at the request of smaller insurance companies, we lowered the trigger from \$100 million to \$50 million per incident, because small insurance companies said to us: We would like to be able to insure some of these buildings. Our colleagues from some of the smaller States brought this to our attention. But if it is \$100 million that you have to absorb before this kicks in, we can't do it; we can do it at \$50 million.

So we accept the Senate version on 7 years versus our 15. We accept their version of PAYGO. We accept their rejection of nuclear, biological, chemical, and radiological weapons. We do ask that group life insurance be kept in with the travel provision I mentioned, and that the trigger go from \$100 million to \$50 million.

Finally, there is the reset provision, which says that if you have once been

attacked and you have to deal with it, should that same area be attacked again, the clock starts again. That is, you would not be in a position where, having been attacked once by these vicious murderers, you would be unable to get full insurance if they did it a second time.

Those are the differences. As I said, we have no guarantee that the Senate will do this or pay even serious attention. We have retained a vehicle in case they don't. But I don't want, and I said this earlier, we are not debating preemptive strikes here. We are debating preemptive surrender. I don't want to have a situation where the United States Senate passes legislation, sends it to us and says, You may not even think about changing things.

We are prepared to compromise. But I think inclusion of group life and that travel protection is important. We think that the smaller insurance companies had a legitimate concern. We think the reset provision is legitimate.

We are asking the Senate again to consider them. We can't compel that. But I think it would be a mistake for us to set the precedent that, when they confront us with these ultimata, that we simply cave in.

Let me repeat, because I got it right now. I was quoting before the lyric from "MacArthur Park." What the Senate tells us is, Look, we were able to do this, but we can't do it again. You just have to accept it as it is. And the theme song apparently is, if people will remember; I will say it because I sing something awful.

"Someone left the cake out in the rain.

I don't think that I can take it

'Cause it took so long to bake it

And I'll never have the recipe again."

If someone in the Senate tells us, we left the bill out in the rain, or at least they are telling us that if we were to try to get them to change it, it would be leaving the bill out in the rain, and they couldn't remake it because they don't have the recipe.

Mr. Speaker, I think it's time to send the Senate back to their recipe books and ask them to keep track. I understand in the end we may not be able to change things, but I do not want this House simply at this point to say, Okay, you gave us an ultimatum, we accept it.

I would hope, and we are going to be here obviously next week, that the small life insurance companies, people interested in the ability to travel to Israel and others would then at least go to Senators and say, Can't we at least even have a vote on this? Can't you even consider this?

And that is why I ask that today we send this bill back over. We retain a vehicle if the Senate remains impervious, but I think it's worth a try.

I reserve the balance of my time.

Mr. BACHUS. Mr. Speaker, I yield myself such time as I may consume.

Members of the body, first let me address the practicalities of where we

are. I am going to talk about the policies in a few minutes after others have had an opportunity to speak, but let's just talk about where we are.

The chairman has talked about the Senate this, the House this. But the truth is that the present legislation expires December 31. That is in 19 days. Businesses across the country are trying to arrange their insurance coverages for next year, and they have no certainty as to whether or how much there will be a Federal safety net in place. Nineteen days.

Even if Congress were to act today, there is hardly time enough for insurance companies to develop new policy forms, to obtain approval from 50 State regulators, to get them in the marketplace for review by the brokers, and to finish negotiating coverage with their policyholders. There is just not time.

Now, it can be the Senate problem. The House passed a bill earlier this year. That is all true, but that doesn't change the facts. Nineteen days. Nineteen days. Each additional day that we fail to get a bill on the President's desk means less ability in the marketplace to adjust and to respond to the new mandates in this program, or the Senate program, particularly the mandates on domestic terrorism. Policies are going to have to be rewritten. And both the House and the Senate bill does that, so it doesn't really matter which bill ultimately passes.

Mr. Speaker, I share Chairman FRANK's frustration with the Senate. He described this ping pong, back and forth. A House-Senate conference would have been nice to work out our differences, although in a minute I will say why I personally believe the Senate bill is more in keeping with our original intention. The chairman of the full committee and I were two of the authors of the original legislation. And it says in that legislation it was intended as a very temporary Federal backstop until the private market could fill in, and I will talk about that and why I support the Senate bill later.

But as a practical matter, whether I supported the Senate or the House bill, there is only one bill that is going to pass. I think the chairman knows that, I know that, Members of this body know that. That's the Senate bill.

The administration has indicated they are going to veto anything but the Senate bill. If we pass this bill, they will veto it. The Senate has agreed unanimously to their bill. They came together unanimously. I regret we weren't able to do that. But it was, at that time, a 15-year permanent bill. So we didn't come together. But we have got to put this behind us and adopt legislation that has a realistic possibility of becoming law, and to do it right now. We need to do that on the alternate minimum tax. It is staring us in the face.

I don't think the American people, the taxpayers, I don't think the accounting industry care whether or not the Senate did this to the House or the

House did this to the Senate. On terrorist insurance, I don't think the insurance companies, the developers, the policyholders, I am not sure they care about all the internal fights between this body and that body. They are caught in the middle, and you do have a bill available. It's a Senate bill that will go to the President to be signed and take away this uncertainty.

The Senate has made it clear that they are not going to pass the legislation that the chairman is offering. It is not me; that is the Senate. The White House has issued a Statement of Administrative Policy indicating that if presented with the bill we are going to vote on today, the President will veto it. That's with less. The Senate is not going to take it up, so it won't ever get to the President. So that is just theoretical because the Senate said they are not going to pass it. And we have got 3 weeks left before the program expires.

Now, some of our Members think that the private market, that the TRIA 5 years after 9/11, a 3-year bill and a 2-year extension, that TRIA has served its purpose. And in a few minutes I am going to talk about the Treasury and that they believe that it has fulfilled its purpose and from now on it just reverts to the private market.

But we can vote this bill down, we can bring up the Senate bill, and we can put a bipartisan TRIA extension on the President's desk. We can do it this week. The time for further deliberation or argument has passed. Time has run out on us.

With all due respect to the chairman of the House Financial Services Committee, I recommend we vote down this legislation, we bring up the Senate legislation, we do it in a motion to recommit, we do it in a unanimous consent, we do it in a suspension. We move it, we pass it over to the Senate, and we end the uncertainty.

If it is such a vital program that many Members think it is, why don't we need it in place? Why would we wait until a week or two or even after it expires to reauthorize it?

Mr. Speaker, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Speaker, first of all, there is no chance of waiting until after it expires. I don't know why the gentleman would have said that. He knows there is zero chance of that.

Now, I agree it has waited too long. But I would have been more impressed with the urgency if I had had people joining us in trying to get the Senate to act. We passed the bill months ago. We would have liked to have seen an act. But I didn't hear all this passion trying to force the Senate to act, and it was partly the minority in the Senate that was blocking it, that is, block the ability to have a conference.

□ 1515

Here is the point. I think telling the life insurance companies that they

should not be restricting people's ability to travel unfairly is important. We think group life is important. We think that not allowing your community to be disadvantaged if it has been attacked once is important. And we may not be able to accomplish them this year, but we think it is important not simply to cave in and say those aren't even worth fighting for.

We are going to send a message, I hope, by voting for those principles because we pass the bill this year, and we may have to accept a minimal position, but we will be back here in a month or two and we hope to renew some of these things.

So I just reject the notion that the Senate can achieve this by waiting and waiting and waiting and then saying, Oh, well, there isn't enough time. There is not enough time because they held it up. No one can seriously argue that having seen this delay of many months, and again I didn't hear all this passion trying to make the Senate act for all of those months, nobody can argue that another day or two is going to make a difference. And that's what we're talking about.

So I reiterate, there is no chance of this expiring. Everybody knows that. We have preserved our ability at any point simply to accept this bill. The question is do we give up now or do we send them the message that the ability to travel to Israel, the concern for the small insurance companies being able to insure commercial properties and the concern for group life and not just property, that those are important issues.

We can take that vote today and send that message. And if we have to, we will accommodate reality. But we will have sent that message, and it gives us a basis upon which to act next year.

I yield now 6 minutes to the gentleman from New York (Mr. ACKERMAN).

Mr. ACKERMAN. Mr. Speaker, it has been almost a year since the Committee on Financial Services began the process of reauthorizing the terrorism risk insurance program. It has been 9 months since our committee held a field hearing in New York at which we heard experts, insurers, developers and reinsurers testify about the private market for terrorism insurance which has not grown enough since 9/11 to sufficiently meet the demand in many of our Nation's so-called high-risk areas.

It has been over 4 months since we held a subcommittee and a full committee markup and almost 3 months since the House overwhelmingly approved H.R. 2761, a strong reauthorization that would have extended TRIA for 15 years, provided group life insurance as well as nuclear, chemical, biological and radiological coverage, and significantly lowered the program's trigger level.

Most importantly of all, and after constructive negotiations and compromise with the minority, the House bill included a reset mechanism to ad-

dress increased capacity shortages following major terrorist attacks such as those that may occur anywhere in our country.

And yet despite a proactive bipartisan effort in the House spearheaded by Chairman FRANK and Ranking Member BACHUS, we find ourselves in the 11th hour with TRIA set to expire at the end of the month, and we are faced with a weak Senate bill that was deliberately sent to us only after we had recessed for Thanksgiving, effectively stalling the negotiation process between the two Chambers.

The Senate bill, a 7-year reauthorization that only amends the TRIA program by eliminating the distinction between foreign and domestic acts of terrorism simply does not provide developers, insurers, and reinsurers with enough of the stability they need in our free-market economy to plan, finance, insure and build our Nation's major development projects.

Mr. Speaker, for TRIA to be truly effective in addressing the shortages in the terrorism insurance market, we must recognize that the market is dynamic. The terrorism insurance market behaves much differently in the wake of a terrorist attack than it does before an attack. The reset contained in this compromise bill is identical to the reset provision that was included in the House-passed TRIA extension in September, on which I and Mr. BAKER of the minority came to a mutually acceptable agreement. Under those terms, which are in this compromise bill, in the event of a terrorist attack with losses of a billion dollars or greater, the deductibles for any insurance company that pays out losses due to the event immediately lower to 5 percent while the nationwide trigger for any insurer for future events drops to \$5 million.

Mr. BAKER and I also reached agreement on my proposal to enable the Secretary of the Treasury to aggregate the total losses of two or more attacks that occur in the same geographic area in the same year so if the total insured losses of those events are over a billion dollars, the reset mechanism would be triggered. The inclusion of this language is absolutely vital to every high-risk area across the country, and many of us consider this to be the most essential, must-be-included aspect of the legislation.

My colleagues may recall that the TRIA extension passed by the House in September was subject to PAYGO concerns because the CBO had assessed its cost at roughly \$10 billion over 10 years. With this CBO score, some of our friends on the other side of the aisle argued that even though no funds would have been appropriated unless the country was attacked, our bill would have been too much of a burden on the American taxpayer. Not knowing who else to bill for an attack on America, I disagreed with that view and with the CBO scoring; but I, too, am committed to a fiscally responsible bill.

I am pleased to say that my fiscally conservative friends on both sides of the aisle can now vote for this bill without any hesitation thanks to the inclusion of language from the Senate bill, and more significantly, because the reset language, this compromise legislation has been assessed to a positive CBO score of \$200 million. Let me say that again. This compromise bill that we are debating today will result in a net gain of \$200 million. Legislation that protects developers and the insurance industry from terrorist attacks and provides taxpayers with a return on their dime is something that I believe we should all support.

Mr. Speaker, the next terrorist attack against the United States, like the one on 9/11, is going to damage more than just buildings. We must acknowledge that the structural losses associated with a terrorist incident will be accompanied by the loss of human life. The legislation before the House today recognizes this fact and includes group life insurance coverage because this Congress is concerned not only with the value of buildings but the people inside of them as well.

Our bill lowers the program trigger in the Senate bill from \$100 million to \$50 million. Our lower trigger would prevent smaller insurance companies from being priced out of the terrorism insurance market. And, with a greater supply of insurance, we can expect a higher degree of stability for large-scale developers all over America.

Mr. Speaker, in the absence of a formal conference which most of us in this body would have preferred, we have taken it upon ourselves to consider this legislation in which we have compromised with the Senate on many of their issues but hold firm on those provisions that we believe must be included in TRIA: the reset mechanism, group life coverage, and lower triggers.

I urge all of our colleagues to support this important compromise legislation and, as the clock strikes 11:59, to place the burden of responsibility back on the broad shoulders of the United States Senate.

Mr. BACHUS. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. Mr. Speaker, I thank the gentleman for yielding.

I am reminded of a quote from late President Reagan, and perhaps I can paraphrase: The closest thing to eternal life on Earth is a Federal program.

Indeed, we have had speaker after speaker come before in this debate to tell us how TRIA was going to be a temporary program. And I see the able gentlelady from New York, the chairwoman of our Financial Institutions Subcommittee. I wasn't here in this body when TRIA was originally passed, but I took the time to review the record of the debate. At that time she said, "We are simply working to keep our economy on track with a short-term program that addresses the new terrorist threat."

The gentleman from Pennsylvania, the chairman of our Capital Markets Subcommittee said, "We wisely design the TRIA Act as a temporary backstop to get our Nation through a period of economic uncertainty until the private sector can develop models."

And if you look at the RECORD, Mr. Speaker, of those who proposed TRIA in the first place, all said it would be a temporary program. Perhaps temporary is in the eye of the beholder. What started out as a 3-year program has since become a 5-year program. The House attempted to extend it 15 years. I think we are now looking at a 7-year extension. I believe for all intents and purposes, we are looking at giving birth de facto to a new Federal permanent insurance program to go along with the scores of others, few of which are financially sound.

So again, what was meant to be temporary, and I hope had I been in this body at that time I would have voted for it. I was here for the vote on the first extension, and I supported that extension. I believe there was, indeed, a great calamity in this marketplace. I believe that people in the marketplace needed time to react, to plan, to model. But again, is this something that is going to go on in perpetuity?

The question again is begged, and that is, Who can do a better job in the reinsurance market, the Federal Government or private industry? I have no doubt that private industry would love to have the subsidies that are represented by TRIA. Any time the government is going to hand out something free or at a subsidized rate versus the market rate, who wouldn't accept it? Such a deal. I certainly understand that they might be favoring this.

Now, I haven't heard in this debate, but in previous iterations of the debate I have heard many come and talk about the great tragedy of 9/11, and I want to let it be known again, we are talking about terrorism reinsurance. It does nothing to prevent terrorism in the first place. We are talking about coming in after the fact and providing this Federal backstop, which many of us don't believe is any longer necessary, putting the taxpayer on the hook at a time when markets could develop.

I would take the argument more serious if more people on the other side of the aisle would vote to strengthen, for example, the FISA legislation. Unfortunately, many of them are voting to make it even more difficult for our Federal Government to listen in on the conversations of known terrorists. Most of the Democrats, most of my colleagues on the other side of the aisle, Mr. Speaker, in May voted against the Hoekstra amendment to the Intelligence Authorization Act which would have eliminated that section of the bill requiring the Director of National Intelligence to use resources, and I paraphrase him, to study bugs and bunnies instead of suspected terrorists. They have supported expanding the legal

rights of terrorist detainees, holding up passage of the 9/11 Commission Recommendation Implementation bill to give union bargaining advantages to TSA screeners, and the list goes on and on.

So if we want to talk about terrorism, let's talk about what we can do to prevent it in the first place as opposed to what we can do to subsidize large insurance companies after the fact.

Another point I would like to make, and everybody is certainly entitled to their own opinion, and I have looked very carefully at the President's working group position on this, and they have observed what I have observed, and that is the availability and affordability of terrorism risk insurance has improved since the initial terrorist attacks. And despite increases in risk retentions under TRIA, insurers have allocated additional capacity to terrorism risk. Prices have declined. Take-up rates have increased.

I simply don't buy into the argument, Mr. Speaker, that we have a market failure here that somehow, some way the market can't create this particular insurance product.

□ 1530

I mean, how are we ever going to know, once again, if we're going to hand out something free or at a subsidized rate, as opposed to people having to buy it at the market rate?

And let me quote from the President's working group: "The presence of subsidized Federal reinsurance through TRIA appears to negatively affect the emergence of private reinsurance capacity because it dilutes demand for private sector reinsurance."

Now, some have said, well, again, that terrorism is a very unique risk. Well, of course it is. But our reinsurance industry has faced these challenges in the past. At one point they had to figure out how to model for the risk of loss of electronic data. At one time in our history they had to figure out how to model for airline crashes.

Many say that we will never have major construction in the United States unless we have a government, Federal reinsurance backstop for acts of terrorism. I simply don't observe that in real life.

And how, Mr. Speaker, during the Cold War, when thousands of nuclear weapons were poised, aimed at our Nation, how did construction take place during that time in our history? Yet there are those who will maintain that somehow it cannot take place today.

Again, I'm not saying that reinsurance is not an important aspect of our market. It is. But I disagree with those on the other side of the aisle who say that even after 5 years that the market is simply incapable of creating a product that those who wish it can pay for at an affordable rate.

Another point I would make is that even if this were a valuable program to the Nation, what are we going to do to



pay for it, and what are the long-term implications?

Again, as I mentioned earlier, Uncle Sam does not have a particularly stellar track record when it comes to running insurance programs.

Social Security, according to the latest report of the trustees of the Social Security and Medicare trust funds, owes \$6.8 trillion, trillion with a T, more in benefits than it's receiving in taxes, and has a long-term deficit of almost \$9 trillion, not a particularly good track record there.

The Pension Benefit Guaranty Corporation is currently running a deficit of \$18.1 billion, with an additional off-balance sheet liability of \$73.3 billion.

The National Flood Insurance Program has a shortfall of \$1.3 billion a year over the long term and, according to the Congressional Budget Office, its current financial situation is unsustainable.

Medicaid, \$317 billion a year. The National Governors Association says, "The growth of a program that is unsustainable in its current form."

The Federal crop insurance program requires Federal subsidies. The list goes on and on and on and on. As history is my guide, Mr. Speaker, forgive me if I don't share the enthusiasm and optimism of those on the other side of the aisle who say that somehow this is not going to prove painful for future taxpaying generations. I believe it will be.

I believe the private market can handle this. I think they will handle this if we give them the opportunity. I do not think the private insurance companies need this huge subsidy.

And when, Mr. Speaker, are we finally going to do something about the long-term financial implications of entitlement spending in these insurance programs?

Now, something's got to give. The Comptroller General has said that we're on the verge of being the first generation in America's history to leave the next generation with a lower standard of living because of out-of-control spending. Instead, we add burden on top of burden on top of burden.

Because of all those reasons, Mr. Speaker, I oppose this legislation, I oppose this report and would urge the House to oppose it as well.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield 3 minutes to the gentlewoman from New York (Mrs. MALONEY), a representative from the city who is Chair of the Financial Institution Subcommittee and has been very active on this issue.

Mrs. MALONEY of New York. I thank the gentleman for his extraordinary leadership and for yielding.

I would like to respond to some of the comments of my good friend on the other side of the aisle and to remind my colleagues that New York, and he mentioned it several times in his statement, was attacked not as a city, and our State was not attacked as a State. This was a national attack against our

country, at our Pentagon, a symbol of our military strength, and New York, one of the symbols of our economic strength. And after that attack, this body was united and determined, and I thank all of my colleagues for your aid and support.

But the most important act by this body to get New York moving again and our other economic centers was voting for TRIA, the anti-terrorism risk insurance plan.

My good friend stated that construction can go forward without it. After 9/11 you could not even build a hot dog stand. Nothing moved until we got the anti-terrorism risk insurance in place.

I am told by the businesses in New York and other large cities in our country that they cannot get insurance now. They get insurance up to the date that TRIA expires, and they are not given insurance unless there is agreement or a condition that TRIA will continue.

He argued that TRIA was not homeland security. I will say very strongly that part of our homeland security is our economic security, and a very important part of our economic security is having a Federal support system for terrorism risk insurance.

The TRIA bill was a top priority of the Financial Services Committee. It was one of the first bills reported out, and I thank Chairman FRANK for his continued support for a long-term TRIA, including a reset provision to increase the availability of terrorism insurance for areas that have been targets of terror acts like my city of New York.

The reset language in this bill, though, treats equally everyone across this country. We are including in this bill absolutely everything that was in the Senate-passed bill. The only change is we come from the 15 years down to the 7 years of the Senate. But the other key provisions that were dropped, we are putting back in, such as the lower trigger level so that more insurers can be part of this program. This is very important. Group life insurance. Life insurance for fairness for travelers, and the very important reset mechanism for the anti-terrorism risk insurance.

We need this bill and we need it promptly to avoid interruptions in coverage and the disruptions that that will cause in our economy.

I would say that TRIA has created jobs and helped America's economy grow despite the continuing terrorist threat. I thank the chairman and this body on both sides for supporting it.

I appreciate the opportunity to speak in support of this bill.

I would like to thank Chairman FRANK for his continued strong support for a long term renewal of TRIA including the reset provisions to increase the availability of terrorism insurance for areas that have been targets of terror attacks like my city of New York.

I appreciate the chairman's insistence on having the House debate and vote on a bill that includes four key provisions from the original House-passed bill.

Most important of these, in my view, is the reset provision. To encourage companies to write insurance in an area that has been a target of terrorism, after a significant terrorist attack, that is, an attack causing over \$1 billion in damages, the bill would lower both the deductible and the trigger for terrorism insurance policies in the targeted area, to rebuild market capacity and then gradually increase private sector obligations over time.

This reset mechanism applies equally for everyone across the country. For example, the lower deductible would apply to all the insurers that were affected by the significant terrorist attack, regardless of where the attack occurred.

Also, the bill lowers the "trigger" level—the size of an attack at which the Federal Government would provide aid to insurers—back to the \$50 million in the original House bill. The TRIA extension enacted in 2005 set the limit at \$50 million in 2006 and \$100 million in 2007. The Senate bill provides a trigger of \$100 million. A lower trigger will allow more insurers to participate in the program and thereby increase the availability of terrorism insurance, and will also address a serious concern of the small insurers who fear they will be driven out of business by terrorist attacks that cause less than \$100 million in insured losses that would not trigger the protection provided by TRIA.

The bill includes the provision from the House bill putting group life insurance in TRIA. TRIA should cover not only buildings but also the people who work in them. Group life carriers face insolvency if a terrorist event affects a large group of people. It is important to the economic security of America's workers and their families that group life carriers remain solvent and capable of paying claims after a terrorist attack.

Finally, like the original House bill, the bill prohibits life insurance companies from denying or reducing coverage to an individual based on their foreign travel.

It is critical that these provisions be included in the bill we send back to the Senate. We need to send a strong message that these provision are important, and that this body will not be cowed by the White House's foolish threat to veto this legislation.

I could not more strongly disagree with the White House when they insist the program should be short term and temporary. That will exacerbate market disarray and harm our economy—exactly what the terrorists want.

The administration's continued opposition to this bill is another example of the stubborn wrongheadedness for which this White House has become renowned.

On a bipartisan basis, business leaders, law enforcement, and the American people strongly support a long term TRIA bill that protects our economy and our security.

Recognizing the significant benefits that TRIA has for our entire economy, the US Chamber of Commerce said, and I quote:

The Terrorism Risk Insurance Act has promoted long-term availability of terrorism risk insurance for catastrophic terror events and has provided a standard of stability for financial markets and recovery after such an attack. [TRIA] has created jobs and helped America's economy grow despite the continuing terrorist threats against the United

States. . . . It is essential that Congress not allow this vital law to expire.

There are few issues so important to our Nation's economy as a stable long term federal support system for terrorism risk insurance.

We need a new TRIA bill and we need it promptly, to avoid interruptions in coverage and the disruptions that will cause.

We all fervently hope there will be no more terrorist attacks on our soil. But we must recognize that insuring against that dreadful contingency is a fundamental part of making our country safer. It is a part of homeland security that we cannot afford to ignore. I urge my colleagues to support this bill.

Mr. BACHUS. Mr. Speaker, I yield to myself such time as I may consume.

Mr. Speaker, the Terrorism Risk Insurance Act, TRIA, provides a free Federal backstop to private insurers to protect them against acts of terrorism in the United States so they can have insurance. It was enacted, as all of us recall, right after 9/11 for 3 years as a very temporary measure. It was intended to give the insurance industry developers a 3-year period of transition to a private market, allow them to stabilize, to price terrorism insurance, and the third goal was to rebuild capacity.

Now, in 2005, Republicans agreed. We came together bipartisanship and extended it for 2 years. However, that same year, the Treasury did a study on TRIA, and here's what they said. They said, by 2005, 2 years ago, the program had achieved all its purposes. The insurance market had stabilized. They were pricing terrorism insurance, and they were rebuilding capacity.

I will submit for the RECORD the Treasury Department study that they found had achieved all its goals. Now, let me read from the Treasury study of 2 years ago: "The availability and affordability of terrorism risk insurance has improved since the terrorist attacks of September 11. Despite increases in risk retentions under TRIA, insurers have allocated additional capacity to terrorism risk, prices have declined, and take-up (purchase) rates have increased." But we extended it.

And then we passed the legislation that the chairman has talked about today, and it went over to the Senate. And the Senate, unanimously, passed a TRIA bill. One hundred Republicans and Democrats came together and passed that legislation, and the President said he would sign it.

Now, there are things about this bill that some of my colleagues on this side support. The gentlelady from Florida has a provision that I think would be beneficial. But it deals with group life. I'm sure she's going to talk about that provision in a minute.

But let me say this. The Senate has said they're not going to include group life. So why put a provision in about group life when the Senate has already said they're not going to include group life?

Mr. FRANK of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BACHUS. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. The gentleman said why put the provision in if the Senate said it's not going to talk about group life? Because I don't think that we should have a de facto amendment to the House rules that puts the Senate in charge of what we can discuss.

Mr. BACHUS. Well, as I said a few minutes ago to the chairman, with all respect to the chairman, we have 19 days. We've talked about the importance, particularly on that side of the aisle, and many Members on our side, the importance, if we are going to have a bill, let's have a bill. If the program is important, let's have the program. Let's not let it expire.

If terrorist risk insurance will shut down New York, if in the absence of this bill you can't build a hotdog stand in New York, why would we let a bill expire that will, quote, shut down the economy of New York? We have an alternative. The alternative is to pass a bill that passed unanimously in the Senate.

#### EXECUTIVE SUMMARY

The Terrorism Risk Insurance Extension Act of 2005 requires the President's Working Group on Financial Markets (PWG) to perform an analysis regarding the long-term availability and affordability of insurance for terrorism risk, including group life coverage; and coverage for chemical, nuclear, biological, and radiological events; and to submit a report of its findings to Congress by September 30, 2006.

In conducting this analysis, the PWG was assisted by staff of the member agencies who reviewed academic and industry studies on terrorism risk insurance, and sought additional information and consultation through a Request for Comment published in the Federal Register. Staff also met with insurance regulators, policyholder groups, insurers, reinsurers, modelers, and other governmental agencies to gather further information.

The key findings of the PWG's analysis are set forth below. The findings are presented under three main areas: the general availability and affordability of terrorism risk insurance; coverage for group life insurance; and coverage for chemical, nuclear, biological, and radiological events. Further detail on each finding is provided in the body of the report.

#### KEY FINDINGS

##### *Long-Term Overall Availability and Affordability of Terrorism Risk Insurance*

The availability and affordability of terrorism risk insurance have improved since the terrorist attacks of September 11, 2001. Despite increases in risk retentions under TRIA, insurers have allocated additional capacity to terrorism risk, prices have declined, and take-up (purchase) rates have increased. The take-up rate—or the percentage of companies buying terrorism coverage—has reportedly increased from 27 percent in 2003 to 58 percent in 2005, while the cost of coverage has generally fallen to roughly 3 to 5 percent of total property insurance costs. These improvements have transpired in a marketplace that has had access to a Federal backstop that has gradually contracted through the life of the temporary TRIA Program. Insurers' retention of risk has steadily increased under the TRIA Program:

deductibles have increased from 7 percent of direct earned premium in 2003 to 17.5 percent in 2006, and other changes made to TRIA in 2005 have also increased insurer retentions. The general trend observed in the market has been that as insurer retentions have increased under TRIA and policyholder surpluses have risen, prices for terrorism risk have fallen and take-up rates have increased.

The improvement in the terrorism risk insurance market is due to several important factors, including better risk measurement and management, improved modeling of terrorism risk, greater reinsurance capacity, and a recovery in the financial health of property and casualty insurers. State regulation does not appear to have had a significant impact on capacity, and a significant number of policyholders are still not purchasing terrorism coverage. How these factors continue to evolve will importantly affect further developments in the long-term availability and price of terrorism risk insurance.

Insurers have made great strides in measuring and managing their risk accumulations. The amount of capital an individual insurance company is willing to allocate to a particular risk in a given location depends on its understanding of its maximum loss under different scenarios. Since September 11, insurers have made greater use of sophisticated models that allow them to identify and manage concentrations of risk in order to avoid accumulating too much risk in any given location. This improvement in risk accumulation management has allowed insurers to better diversify and control their terrorism risk exposures, which has enhanced their ability to underwrite terrorism risk.

A significant effort has been made by the insurance industry in modeling the potential frequency and severity of terrorist attacks, which helps insurers to assess their potential loss exposures. An understanding of the potential frequency and severity of terrorist attacks is important for insurers to properly evaluate their risk exposures. Improvements in probability modeling of terrorist attacks have likely had a positive impact on insurers' willingness to provide coverage for terrorism risk following the re-evaluation of terrorism risk that took place after September 11. However, unlike other catastrophic exposures (e.g., natural disasters) where there are more refined methods of modeling frequency, modeling terrorism risk frequency relies largely on analysis of terrorist behavior. Given the uncertainty of terrorism in general and, in particular, the uncertainty associated with these modeling efforts, insurers appear to have limited confidence in these models for evaluating their risk exposures.

The quantity of terrorism risk reinsurance capacity has increased since the period following September 11. Reinsurance for terrorism risk all but vanished after September 11 as reinsurers withdrew from the market. The market has since improved and reinsurers have gradually allocated more capital to terrorism risk. The key determinants in the capital allocation decisions of reinsurers include pricing, which is influenced largely by demand, loss experience, underwriting performance, and probability of loss for a given risk at a given location. These determinants also factor into the willingness of other capital providers (e.g., through catastrophe bonds or other mechanisms) to allocate capital to terrorism risk. The presence of subsidized Federal reinsurance through TRIA appears to negatively affect the emergence of private reinsurance capacity because it dilutes demand for private sector reinsurance.

The financial health and capacity of insurers has recovered since September 11. There



has been improvement in the financial health of the insurance industry, which plays a role in how much capacity an insurer is willing to expose to terrorism risk. Since September 11, policyholder surpluses in the property and casualty industry have risen, as the industry has remained profitable (even with the 2005 hurricane season losses) and has benefited from increased rates of return on assets. As a result, insurers have more available capital to allocate, and they apparently have chosen to allocate additional capacity to terrorism risk as demonstrated by the increased provision of terrorism risk insurance coverage over the past few years.

States require that some types of terrorism risk insurance be provided and otherwise regulate aspects of the terrorism risk insurance market. However, it is unclear whether these requirements have reduced capacity significantly. State laws and regulations govern various aspects of the insurance marketplace (e.g., mandating certain types of coverage, approving forms and rates, and monitoring financial solvency), and the provision of terrorism risk insurance falls within this general structure. In terms of pricing, although states regulate commercial insurance rates to various degrees (to a larger extent with workers' compensation insurance), commercial terrorism risk insurance for large property risks may be exempt from state price regulation or not subject to state price regulation (or other state mandates) when purchased from non-admitted surplus lines insurers. In addition, some insurers do not even charge for the terrorism coverage that is included in their policies. In lines of insurance with the greatest amount of price regulation and coverage mandates (such as workers' compensation insurance), insurers have generally remained in the market, even as their TRIA retentions have increased, despite not having the flexibility to fully price for terrorism risk. Therefore, while state regulations have the potential to significantly interfere with the operation of the insurance markets, it does not appear that such restrictions have had a significant impact in the market for terrorism risk insurance in the post-TRIA environment.

While take-up rates have increased as prices have fallen, a significant number of policyholders are still not purchasing coverage. The willingness of consumers to pay for terrorism risk insurance is a determinant of how much capital insurers will allocate. It is unclear why approximately 40 percent of all policyholders do not purchase coverage, although the Treasury's 2005 study and others have found that the primary reasons were price and assessment of their individual risk to terrorist attack. Individual perceptions of low risk are likely related to the lack of a successful terrorist attack within the U.S. since 2001, and perhaps to some degree an expectation that Federal aid might be available if a significant attack occurs.

Further improvements in insurers' ability to model and manage terrorism risk will likely contribute to the long-term development of the terrorism risk insurance market. However, the high level of uncertainty currently associated with predicting the frequency of terrorist attacks, along with what appears to be a general unwillingness of some insurance policyholders to purchase insurance coverage, makes any prediction of the potential degree of long-term development of the terrorism risk insurance market somewhat difficult. The post-September 11 terrorism insurance market has developed in the presence of a Federal backstop (albeit a progressively less generous one over time), which creates inherent difficulties in evaluating the long-term development of the terrorism risk insurance market.

#### *Group Life Insurance*

Coverage for terrorism risk insurance in group life insurance policies has remained generally available and prices have declined, even though group life insurance is not part of TRIA. Given these market signals, there is no reason to expect negative developments in the group life insurance market. Group life insurance is generally sold to employers as part of employee benefit packages along with other benefits, such as medical, dental, vision, and disability. In some cases group life insurers partner with other providers of employee benefit services. The group life insurance market is highly competitive and insurers appear to be unwilling in the face of such competition to raise prices (states do not regulate group life insurance rates), or to decline to provide terrorism coverage. Even though group life insurance has not had access to the Federal backstop under TRIA, private market forces (high competitiveness and extreme price sensitivity) have ensured the continued availability and affordability of group life insurance to employers and their participating employees.

As in the market for property and casualty reinsurance, there have also been improvements in the availability of catastrophic life reinsurance, and there is the potential for continued market development. Just as with the property and casualty reinsurance, catastrophic life reinsurance all but disappeared after September 11, even though by most industry metrics, September 11 was not a catastrophe in terms of either individual or group life insurance losses. Still, the lack or limited availability of catastrophic life reinsurance following September 11 had no disruptive effect on the availability and affordability of group life insurance to consumers largely due to competitive market forces. Since then, some catastrophic life reinsurance has again become available in the marketplace, albeit at higher cost when compared to pre-September 11 pricing. Today, group life insurers are deciding whether to purchase reinsurance, or to forgo and retain most of the risk—a decision that has not had any impact on the availability and cost of group life insurance to consumers.

Similar to the situation with property and casualty insurers, group life insurers have developed an increased ability to measure and manage their accumulation of terrorism exposure through the use of modeling, and there appears to be potential for additional improvements. While group life insurers face aggregation exposure (the risk of multiple losses from a terrorist-related mass casualty event due to concentrations of insured lives), they are capable of managing this risk to some degree by managing risk accumulations. Property and casualty insurers have made great strides in modeling techniques, but it is unclear to what extent group life insurers have made use of these tools. The highly competitive environment in the group life market, the general wider dispersion of overall life insurance risks (for companies that sell both group and individual life), and some institutional arrangements regarding how policies are sold, may all influence how group life insurers view their need and ability to manage accumulation risk.

#### *Chemical, Nuclear, Biological and Radiological ("CNBR") Coverage*

Historically, insurance coverage for losses associated with chemical, nuclear, biological, and radiological risks has generally not been widely available unless it was mandated. Insurers generally did not provide CNBR coverage even before September 11, and for the most part they do not provide such terrorism coverage even with a Federal backstop in place. Given the general reluctance of insurance companies to provide cov-

erage for these types of risks, there may be little potential for future market development. The factors determining the availability and affordability of CNBR coverage in the marketplace have more to do with the nature, scale, and uncertainty of the damage and losses from CNBR events—however caused—and less to do with terrorism specifically. What coverage exists today is mostly tied to state mandates, most prominently workers' compensation insurance, as well as some aspects of fire insurance through the Standard Fire Policy. In addition, a Federal mandate requires some nuclear coverage for reactor operators and some specialty coverage exists. There is virtually no CNBR reinsurance available, and the modeling issues both for exposure and probability become even more complicated for CNBR.

Some insurance consumers have expressed an interest in purchasing CNBR coverage, but due to limited capacity and relatively high prices, many have decided to forgo such purchases. Policyholder expectations regarding their own potential terrorism exposure and likelihood of post-disaster Federal aid are probably higher for CNBR risks than for relatively smaller-scale conventional terrorist attacks. The 2005 Treasury study found that the number of policyholders that purchased CNBR terrorism coverage was relatively small (except in the case of workers' compensation insurance where coverage is mandated). Among the main reasons for not purchasing CNBR terrorism coverage were that policyholders believed either that they were not at risk or that the premiums were too high. Most commercial policyholders remain generally uninsured (except where coverage is mandated, such as with workers' compensation). Some consumers may equate CNBR coverage with other coverages that are not generally available (e.g., war risk).

Finally, there may be an even greater market expectation that the Federal government would respond post-loss to a CNBR event through Federal disaster aid than would be the case for a smaller-scale conventional terrorist attack.

Mr. Speaker, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself 30 seconds.

The gentleman has raised a red herring. There is no chance of it expiring, and the fact that he would talk about a nonexistent threat of expiration seems to me to be an indication that there's nothing substantive to talk about.

In the end, we would retain the vehicle to pass this bill. But we will not give up talking about issues prematurely, and that's why we will not allow the Senate's unanimous consent agreement, very hastily done, to shut off debate here. But there is no chance of this expiring and the gentleman from Alabama knows that.

I yield now 3 minutes to the gentleman from Georgia (Mr. SCOTT), a member of the committee.

Mr. SCOTT of Georgia. Mr. Speaker, it baffles me when, on this floor, we, who are Members of the House of Representatives, so quickly, so easily want to abdicate our responsibilities to the Senate. No wonder the Senate does what it does.

Well, Mr. Speaker, we're not going to abdicate our responsibilities to the Senate. The Founders of this Constitution and this country dedicated two

Houses, one, the Senate, that runs every 6 years, and they made a distinct decision to have the Members of the House of Representatives run every other year because the power of the House closest to the people is that House that the people look to to be most responsive to the day-to-day delicacies of their needs. This is what we're doing here. And the day-to-day delicacies says we've got to pass the most significant, the most meaningful terrorism risk insurance program possible. There's no greater threat we face.

My colleagues on the other side have said, well, why can't the private sector do this? The private sector has come to us. We don't know how catastrophic these events may be. But one thing is for certain, Mr. Speaker, we must not allow the terrorists to shut down and destroy our economy. And unless we have this backstop, the insurers have said they cannot rebuild.

Not only that, the insurers have come to us, who we've got to listen to, to say we need this backstop so that the economy will be stable. Perhaps we may not need to use it. Let us hope and let us pray that we will not have to.

□ 1545

But, Mr. Speaker, an ounce of prevention is worth a pound of cure, and we must prepare for the storm before the hurricane is raging.

This is not a giveaway program. This is not a subsidy program. This is an insurance program, insurance that we hope and we pray that we will not need. But if we do, it is the House of Representatives who are responding to say, We need to insure life, not just property. You ask the American people. Property you can get again and again. Buildings you can rebuild. But a life, a life is gone like that and must be insured.

This is the House of Representatives speaking, and I urge passage of this bill.

Mr. BACHUS. Mr. Speaker, we have 19 days till this program expires. Now, if, as you have said, this is such an essential program, we need to pass a bill today. The industry needed 6 months. They've only got 19 days. Policies have to be written. We can continue to talk about not letting the Senate run over the House. We can continue to say we're going to stand up for our version of the bill, but ask yourself this question: How could 100 Senators, both Republicans and Democrats, come up with a unanimous bill, which many of us in this bill support, and the President said he will take it up and sign it, why are we here today delaying the extension of what many of you have argued on the floor today is a very important bill?

I'm going to say it again. Even if Congress were to act today, there's not enough time for insurance companies to develop new policy forms. There's not enough time for 50 State regulators to approve those forms. There's not

time to get the finished product to the marketplace. There's not time to negotiate with policyholders.

So this idea that we don't have to pass it today, no, we don't have to pass it today. No, we don't have to pass it tomorrow. We should have passed it 6 months ago. We did. The Senate passed a different version, and we are arguing at the end of this session, 19 days before this program expires, as to differences between the Senate and the House version.

And quite frankly, as I have said, the Senate version, which is the version the Treasury Department urged on the House, the version the President has said he will sign, the insurance industry's happy with. It extends the TRIA program. Why are we here delaying? As I said, we're delaying this. We're putting this program at jeopardy. We're postponing a decision on AMT. The IRS is not going to have time to react to that, and here we are as if we have all the time in the world.

The American people are not interested in differences between the House and the Senate bill. I believe the American people, you know, if a bill can pass unanimously out of the Senate, which it did, and the President take it up, why does this House continue to debate long after the time to act and pass legislation? It should have happened 6 months ago. It can happen today. It should happen today.

Mr. Speaker, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Speaker, I would just say the gentleman from Alabama appears to have the Senate's preference for conflict avoidance confused with genuine consensus.

There weren't 100 votes for that. They didn't have a roll call vote. They're barely able to act, and so a couple of Members worked out a deal and the rest of them waved it good-bye. But the notion that that comes with some great significance clearly misunderstands what's happening, and it certainly shouldn't keep us from legislating.

Mr. Speaker, I yield 2½ minutes to the gentleman from New Jersey (Mr. SIREs).

Mr. SIREs. Mr. Speaker, I rise today in support of H.R. 4299, the revised terrorist insurance act reauthorization. We've heard a lot today about how important this legislation is for New York, but it's also just as important for my home State of New Jersey, the region and this Nation.

I have said before on this floor that I represent the two most dangerous miles in this country. I represent the tunnels, the Lincoln and the Holland Tunnels. I represent the ports, and I also represent the region which also has the largest repository of fuel on the east coast of this country. I represent part of Newark and Jersey City, which are both considered high threat areas. I know firsthand what it is like to have a district that deals with the

threat of terrorism every day. That is why it's so important for my district, my State and the entire Nation that we extend TRIA in a way that ensures stabilization for all businesses across this country, as well as those in high-risk areas.

Last year, New York City created some 50,000 jobs. It is thought that in the next 10 years New York City could possibly create another 500,000 jobs. That is one of the reasons New Jersey and New York are talking about a new tunnel to bring people to fill some of those jobs, and they need this stability to know that these businesses can come into this city so those people can fill those jobs. And that's the engine not just for New York City or New Jersey but for the region and this country, quite frankly.

And I want to thank, at this time, Chairman FRANK for his hard work on trying to form a compromise on this bill while holding true to important aspects of the TRIA legislation already passed by this House. It is important that any TRIA reauthorization legislation include reasonable trigger levels, group life insurance and a reset mechanism.

I urge my colleagues to support this bill, and I just want to end by saying I came to this Congress not to follow in lockstep with the Senate. I came in to represent my district, not knowing that I would have to bow to the Senate.

This is important legislation today, and I urge my colleagues to support this legislation.

Mr. BACHUS. Mr. Speaker, I yield to myself such time as I may consume.

It's all come down to this. We can continue to debate the Senate, we can continue to try to change this bill, or we can pass a bill, send it to the President, which extends this vitally important program as so many speakers on the majority side have said. Let's be honest with ourselves. We know that this bill should have passed 6 months ago. We know it probably should have passed 9 months ago. We know that it will not pass in time for new coverage to be written January 1. We know that.

So here we are, arguing differences with the Senate, but I think the first thing we ought to acknowledge is the Senate unanimously passed this bill. Now, the chairman says that two people got together, agreed on everything and the other 98 waved good-bye. Well, let me say this. We, the majority of this body, almost all the Members on your side, if not all, and a good number of the Members on our side have said we need to extend this program and we needed to do it 6 months ago. It's time for us to pass the Senate language, send this bill to the President. You know, there comes a time when if what the Senate did is wave this bill good-bye, it's time for us to wave this bill good-bye.

We have engaged in a debate. The Senate has been unfair to us. Quite frankly, policyholders don't care whether the Senate's unfair to the

House. They don't care whether the House didn't get its way and the Senate did. The bill the Senate passed, I'm not supporting it because it's not only the only thing available today, although it is. Let me again read to you what the statement of the administration is.

The administration continues to believe that any TRIA reauthorization should satisfy these three key elements: The program should be temporary and short-term, there should be no expansion of the program, and private sector retention should be increased. That was the original policies and the original bill we passed. However, the administration will not oppose the version of H.R. 2761 passed by the Senate on November 16, but the administration strongly opposes any amendments to the Senate-passed version of the bill away from the administration's key elements.

And the only thing underlined in this statement to us is, accordingly, if H.R. 2761 passes, that's the bill before us, if it's presented to the President to be considered, his senior advisers will recommend him veto the bill. A very important program.

It's already too late for insurance companies and policyholders to adopt the provisions as of January 1. State regulators don't have time to print the forms. It's time for us to pass the bill. It's time for us to say, Okay, we didn't settle all our differences with the Senate, and we can do that. And, quite frankly, I am very happy that it is the Senate bill we'll be passing, because the Senate bill is very, very close to what we Republicans some year ago proposed. And we've gone through a year.

Provisions, the House has not gotten its way on certain provisions. It's time to act. It's past time to act, and we're going to have that opportunity today. We're going to have the opportunity to extend what you say is a vital program, what some of us say, well, actually we're not getting what we want because we believe that this program continues to be a free Federal backstop for private insurers and developers, and that's okay.

We want development, just like you do. We don't believe, as the Treasury does, many of us, that the program has served its purpose and it is actually impeding the private market, but we don't have to get there. We have compromised our beliefs and are willing to vote for a 7-year extension. The Senate unanimously came together and compromised their various differences and voted unanimously for a version the President has said he will sign.

The only thing that remains is on this side, the House side, that some in the majority have not gotten their way on certain provisions. And listen, I'm all for advocating a House position, but we've done that, and in the interests of the American people, in the interests of getting legislation, in the interests of closure, let's vote for the Senate version.

The SPEAKER pro tempore. The gentleman's time has expired.

Mr. FRANK of Massachusetts. How much time remains?

The SPEAKER pro tempore. The gentleman from Massachusetts (Mr. FRANK) has 3½ minutes remaining.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield 2½ minutes to the gentlewoman from Florida (Ms. WASSERMAN SCHULTZ).

Ms. WASSERMAN SCHULTZ. Mr. Speaker, I thank Chairman FRANK for your hard work on the legislation, and with all due respect to the gentleman from Alabama, I can appreciate what you are saying about the Senate and our negotiations with them, but the Congress of the United States is not a unicameral institution.

□ 1600

The Founding Fathers created two Chambers, two bodies, and the opinions of this body are just as important as the opinions of the other body. And sending a strong message about the reset provisions and about the group life provisions for the policyholders that you say don't care about those provisions is why we have a bicameral Congress.

The other issue that I want to raise is that the life insurance fairness provision in this legislation, which you have strongly supported consistently, can stand on its own. It is not dependent upon group life being included in this legislation overall and it has no ties to that provision.

In the 109th Congress, we passed a bipartisan version of TRIA that included a provision that says that individuals will not be denied life insurance coverage based solely on where they might lawfully travel, and that is included in this provision again. Too often life insurance companies deny the applications of people who express the intent to travel internationally. That's particularly true when people say that they plan to travel to Israel because Israel and 26 other countries appear on the State Department's travel warning list. The life insurance industry is using the State Department's travel warning list as an underwriting tool. It was never intended to be an underwriting tool. Countries don't make that list based on an actuarial analysis. There are political and diplomatic considerations for those appearing on that list. Travel fairness language will protect consumers from unfair life insurance discrimination on the basis of past or future lawful travel, and this provision allows the insurers to price for risk according to an actuarial analysis. It's also fair to the insurance companies because it allows for denial based on war, serious health conditions in the country the person is traveling to, or fraud.

The freedom to travel is a right that we cherish, and no American should have to choose between their children's financial security and having the right to travel freely. And that is what we

are forcing Americans to do if we don't pass this travel fairness language as a part of the reauthorization of TRIA. If we allow insurance companies to deny coverage based on the notion of where a person might travel, we are giving in to the terrorists who wish to change our way of life.

Life insurance companies have been using the State Department warning list as an underwriting tool. It was never meant to be utilized that way. I urge the Members to support the House-passed version of TRIA.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield the balance of my time to the gentleman from New York (Mr. CROWLEY).

The SPEAKER pro tempore (Mr. ISRAEL). The gentleman from New York is recognized for 1 minute.

Mr. CROWLEY. I thank my friend and colleague from Massachusetts.

I had a wonderful speech I was prepared to read to you today, but, quite frankly, I'm outraged by the discussion that has taken place here.

There is the discussion of 19 days left to get this legislation passed as though a gun is put to our heads that either we pass the Senate bill or this does not get extended. That's hogwash. That's not the way in which we should make legislation. The notion that 100 Senators came to the floor and passed this bill is hogwash. They hot-lined this bill. It went to the floor without debate. The only debate that has taken place on this issue has taken place here on the floor of the House of Representatives.

Chairman FRANK in cooperation with the ranking member on the minority have worked diligently to get a qualified bill to this floor, that New York wants, that our country wants and deserves. We should not allow a hole in the middle of Manhattan to lie as a monument to Osama bin Laden, because that's what we're doing by not allowing for a reset provision in this legislation. This is not about New York City. That provision is the Osama bin Laden protection provision.

We should pass the House version of this bill and reject the Senate bill. Pass the House version. I would also note that not one Republican Member from New York State has been to the floor to defend your position on this issue.

During negotiations on providing appropriations for Fiscal Year 2008, the Republicans have opposed providing the emergency service workers who are sick from the pollution they were exposed to at Ground Zero with the care they need.

And today, many are expected to oppose this legislation, which would enable New York City to rebuild at Ground Zero.

But I hope that does not happen.

Because Americans believe that those who served on the frontlines at Ground Zero, and are sick due to their service, should be cared for.

Because Americans believe that New York City must be rebuilt—stronger, prouder and better protected.

Because Americans believe that in doing so we will send a message to al-Qaeda that we won't back down.

And that's what today's legislation is about—letting every terrorist organization know that you cannot break us. And if you try, we will only grow stronger.

Let us take note, it was Chairman FRANK's work on the terrorism risk insurance act that has moved the Bush Administration from an absolute position of opposition to being supportive of extending this program for 7 years.

He successfully moved a bi-partisan bill earlier this year, in light of many Republicans ready to acquiesce to the President to kill this terrorism Insurance program.

I welcome the new positions of the White House and many Republicans in this chamber today to finally support a real terrorism insurance bill, it is a welcome change.

Now, let's talk some basic facts.

We all know the Government will step in if there is another large scale attack like 9–11 on our country again.

What TRIA does is actually put the private insurance markets on the hook to pay part of the damages, meaning TRIA is a cost savings to the taxpayer and ensure that the insurance industry does what it is suppose to do—insure.

TRIA saves taxpayers money.

Now onto a specific provision of today's bill that I want to highlight.

Part of today's bill includes a provision to honor those who were killed on 9–11, and protect the memories of others who, God forbid, may be killed in future attacks on our soil.

This new language, language that was included in the House-passed TRIA bill, creates a re-assurance to insurers and developers to rebuild on previously hit sites.

This is important because we all know al-Qaeda returns to the scene of their crime; they hit the Twin Towers in 1993, and they returned in 2001. And knowing their mentality, they will try to return again.

Those that ignore that, ignore history and fact.

The impacted site in Lower Manhattan cannot continue to be a hole in the ground, or a sick tribute or trophy to Osama bin Laden—wherever he may be.

Rather, we need to rebuild there, letting the terrorists know they can knock us down, but we will always pick ourselves up stronger.

We need to pass this bill and get the Senate working on a strong compromise bill to ensure a real TRIA, one that won't let Osama bin Laden continue to use the pictures at Ground Zero as a recruiting tool against our soldiers in Afghanistan or for attacks against Americans in this country or anywhere in the world.

We have seen the White House veto threat against this bill as it is “expanding” the terrorism insurance program.

Rebuilding at previously hit sites is not expanding the terrorism insurance program—it is the reason for the terrorism insurance program.

If you are serious about supporting TRIA, vote for this bill and ensure Osama bin Laden and his evil partners view September 11, 2001 as the worst day in their lives, not the best.

Mr. TERRY. Mr. Speaker, I rise today in support of H.R. 4299, the Terrorism Risk Insurance Program Reauthorization Act of 2007. This legislation revises and extends the Terrorism Risk Insurance program established under the Terrorism Risk Insurance Act of 2002 (TRIA). TRIA has been a cornerstone of our Nation's comprehensive response to the

events of September 11, 2001, providing a vital and necessary backstop for our insurance industry and its policyholders.

I am pleased that H.R. 4299 does not reduce TRIA's complete coverage for nuclear, chemical, biological, and radiological events. It should be noted that workers' compensation insurers are uniquely obligated by state law to provide coverage for these events to their policyholders; for them, especially, it is critical that TRIA provide a backstop for these events as well as for conventional acts of terrorism.

It is important that TRIA serve the industry and its policyholders equally. Over the course of TRIA's life, the “trigger level,” or threshold of losses insurers must suffer from an act of terrorism before TRIA can kick in, has been raised from \$5 million to \$100 million. For small- and medium-sized insurers—the majority of the industry—a trigger level of \$100 million is too high. As a result, I support the provision which has survived in the House version in H.R. 4299 which returns the trigger level to the 2006 level of \$50 million.

While I support H.R. 4299, it is important to note a significant omission which also affects our small- and medium-sized insurers and their policyholders. The deductible insurers' must pay under TRIA is potentially cost-prohibitive for these companies. Additionally, this deductible is calculated based on the amount of an insurer's direct earned premium over the previous year. Insurers' deductibles under TRIA should be tied to their capital, not the amount of their liabilities. As a result, I encourage the House to reexamine TRIA in the future to address this issue.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to House Resolution 862, the bill is considered read and the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. BACHUS

Mr. BACHUS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. BACHUS. In its current form, I am.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Bachus moves to recommit the bill, H.R. 4299, to the Committee on Financial Services with instructions to report the same back to the House forthwith with the following amendment:

Strike sections 6 through 10.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Alabama is recognized for 5 minutes in support of his motion.

Mr. BACHUS. Mr. Speaker, the chairman of the Financial Services Committee, whom I have great respect for, indicated several times that we are here today because of the Senate's inaction and intransigence. Now, I'm not going to argue that point. The Senate, what they didn't do is they didn't take action on our bill, but what they did do is they came together and they unani-

mously passed legislation, and that legislation is very close to what House Republicans advocated from day one. They did take action. They passed legislation. The President said he'll sign it. It's legislation that Treasury said is consistent with the original declarations of the TRIA bill.

I share the chairman's frustration on the predicament we find ourselves in. I wish the Senate had been willing to engage in a conference to allow Members the opportunity to work out their differences on the extension of this program. However, I will tell the chairman this: The House Republicans, many of us on that conference committee, would have voted to adopt the Senate language. So the Senate bill, in my opinion, had we conferenced, we would have still passed the Senate bill.

Now, the chairman has expressed his frustration with the Senate that they are holding a gun to our head. I'm not going to characterize it in that regard. Whether it is or isn't, I wish it wasn't so. But the clock has run out on this Congress and the opportunity to get anything done on TRIA has, as a practical matter, gone by. But if it is so important, and most Members of this body believe it is, it's important to pass legislation today, and that's the Senate legislation.

The motion to recommit removes additions in the bill offered by the majority and returns the TRIA language to that passed by the Senate last month by unanimous consent. The Senate bill reflects a bipartisan compromise with the administration. It extends the TRIA program for 7 years, the same amount of time that we advocated in a bipartisan bill in the House. We didn't get a bipartisan bill in the House. It wasn't a bad bill. It wasn't a bad bill. But that bill when it passed and the bill today, the bill that was just offered, is not going to become law.

The Senate bill includes coverage for domestic terrorism. Many in this body felt like it ought to include that. It imposes a liability cap for the marketplace. That's good. I think it's a responsible, measured approach to extending a vital program, as many have characterized it. Not all on this side agree. But the majority on this side will come together, the majority of the minority, and pass what you say is a vital program and we'll do it today. The administration has said they will veto the House bill. Both sides of the aisle and the Senate have indicated that the Senate is unwilling to consider it. We have a gripe against the Senate, but let's take that up with the Senate. A large number of Members in the House may continue to oppose the Senate bill. You have an opportunity to vote on it in just a minute.

The only TRIA extension that can get enacted is the Senate compromise. Many say I wish it wasn't so. It is. The only responsible course for this House to take is to accept the Senate bill and move on. My motion is the Senate compromise.

We have 19 days until TRIA expires. Let me say it again. That's not a practical time left for the industry to comply with legislation. In a reasoned society, a deliberative body would never pass a bill and ask the American people to adopt all that in 5 days.

Mr. Speaker, we cannot risk TRIA's expiration. We need to get the job done now. A vote for this motion to recommit is a vote to promote economic vitality in this country.

Mr. FRANK of Massachusetts. Mr. Speaker, I rise in opposition to the motion to recommit.

The SPEAKER pro tempore. The gentleman is recognized for 5 minutes.

Mr. FRANK of Massachusetts. Mr. Speaker, I want to begin with the schizophrenic attitude towards the Senate. The gentleman said a number of times that the Senate passed this unanimously. Yes, by avoiding conference, by making a deal.

But he also continually said, correctly, that this bill was passed way too late. Why are we here now? The answer as to why we're here now, Mr. Speaker, it's the Senate that he was so admiring of. Yes, the Senate passed it without a vote, on November 16. We passed the bill on September 19. The House passed the bill with 3½ months left to go in the year. The Senate passed the bill less than a month ago. The Senate passed the bill, by the way, a different bill than ours, after we had adjourned for the recess.

So the Senate, whom he extols for having managed to put everything under the rug and make one of their deals where nobody gets fingerprinted for anything, they sent us this bill, and the earliest we could have passed it was last week. So all this rhetoric about 6 months, et cetera, well, that's, Mr. Speaker, his friends in the Senate who caused that problem. If they had worked with us, we would have had several months.

Now, we are going to pass a bill. We understand that. And we may well be able to pass only the Senate bill early next week. We have preserved our ability to do that. There is no chance of this expiring. The question is this: Should we acquiesce in a procedure by which the United States Senate waits until after we have adjourned for the Thanksgiving recess and sends us a bill and says, this is it, take it or leave it, or do we say, no, we don't like that and we're going to at least try to make you vote on things.

Now, I know the gentleman from Alabama likes the Senate version apparently where you just have unanimity so-called. I prefer democracy. I prefer letting things get voted on. Maybe the Senate won't vote, but let's at least give them one more option. It may take us another 3 or 4 days. So the notion that we are somehow delaying this for 3 or 4 days, no. We waited from our bill in September to theirs in November. Two months later they passed it. Three days or 4 days isn't going to make any difference and we'll get the bill through.

Here's what we want to do. We want to say that the point that the gentleman from Florida made that you should not arbitrarily cancel people's life insurance because they're traveling to a country that's on the State Department watch list, whether it's the nation of Israel or others that Americans want to travel to. Yes, if you can show that there's danger there, you can cut off their insurance. But don't say that we're just going to give up on that. Maybe we can't do it this year. Let's take the motion to recommit, then, because we're going to pass this bill soon, anyway, and we may have to pass the Senate version. Let's have a referendum on the freedom to travel provision. Let's have a referendum on whether or not we include group life or say that we insure buildings in this country but not life. Let's have a referendum on whether smaller insurance companies should be able to participate. Under our bill they can. Under the Senate bill they can't. And let's have that reset mechanism that the gentleman from Queens, New York, talked about so eloquently, which says we're going to rebuild and any place that's hit, we will rebuild them again.

Let me say, we have a referendum on those issues. We may not be able to win this year, but I want to be able, as chairman of the committee, to go back early next year and say to our friends in the Senate, okay, your rope-a-dope tactics may have worked, but they didn't work on the merits.

□ 1615

And we want to go back at you on small insurance companies and on group life and on the question of freedom to travel, and we want to bring it up again.

And the last point, when we're talking about why is this being done now, it's supposed to be temporary? I never thought it would be temporary. Here's the point: If you go through the private market, it is paid for by the insured, ultimately. I do not think that those people who are choosing to do business in areas that may be singled out by the terrorists ought to have to pay the higher cost of insuring themselves for that. Against fire, against theft, against liability for someone falling down, sure, that's their responsibility. But defending ourselves against terrorism is not a market matter; it's a matter of national security. And the whole country ought to come together in a unified way and say you may not threaten New York or Chicago or Atlanta or Miami, or any other part of America, or Los Angeles, as they threatened the airport. You may not threaten us and make us pay more. You cannot make it more expensive to do business in one part of this country than another. We will come together as one Nation in this program and say, yes, you are responsible for insuring yourself against various dangers. But for insuring yourself against murderous thugs seeking to do harm to

this country, this country will come together as one in a national program and rebut that, and we will not allow them to intrude.

Now, again, it may be that in the end the best we can get is the Senate bill. But at this point, I urge the Members not to vote down, in principle, a reset mechanism that says, okay, you only get hit once and then you're gone, or the freedom to travel, or group life, or smaller companies.

I hope the motion to recommit is defeated and that we let the Senate know that we will continue to engage in democracy in this part of the Capitol.

The SPEAKER pro tempore. All time has expired.

Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the yeas appeared to have it.

Mr. BACHUS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 and clause 9 of rule XX, this 15-minute vote on the motion to recommit will be followed by 5-minute votes on passage of H.R. 4299, if ordered, and adoption of the conference report to accompany H.R. 1585.

The vote was taken by electronic device, and there were—yeas 173, nays 246, not voting 12, as follows:

[Roll No. 1149]

YEAS—173

Aderholt	Davis, David	Kline (MN)
Akin	Deal (GA)	Knollenberg
Alexander	Diaz-Balart, L.	LaHood
Bachmann	Diaz-Balart, M.	Lamborn
Bachus	Doolittle	Latham
Baker	Drake	LaTourette
Barrett (SC)	Dreier	Lewis (CA)
Bartlett (MD)	Duncan	Lewis (KY)
Barton (TX)	Ehlers	Linder
Biggart	Emerson	Lucas
Billray	English (PA)	Lungren, Daniel
Bilirakis	Everett	E.
Bishop (UT)	Fallin	Manzullo
Blackburn	Feeney	Marchant
Blunt	Flake	Marshall
Boehner	Forbes	McCarthy (CA)
Bonner	Fortenberry	McCauley (TX)
Bono	Fox	McCotter
Boozman	Franks (AZ)	McCrery
Boustany	Gallagher	McHenry
Boyda (KS)	Garrett (NJ)	McKeon
Brady (TX)	Gilchrest	Mica
Broun (GA)	Gingrey	Miller (FL)
Brown (SC)	Gohmert	Miller (MI)
Brown-Waite,	Goode	Moran (KS)
Ginny	Goodlatte	Murphy, Tim
Buchanan	Granger	Musgrave
Burgess	Graves	Myrick
Burton (IN)	Hall (TX)	Nunes
Buyer	Hastings (WA)	Pearce
Calvert	Hayes	Pence
Camp (MI)	Heller	Peterson (PA)
Campbell (CA)	Hensarling	Petri
Cannon	Herger	Pickering
Cantor	Hobson	Pitts
Capito	Hoekstra	Platts
Carter	Hulshof	Poe
Castle	Inglis (SC)	Porter
Chabot	Issa	Price (GA)
Coble	Johnson (IL)	Pryce (OH)
Cole (OK)	Johnson, Sam	Putnam
Conaway	Jones (NC)	Radanovich
Crenshaw	Jordan	Ramstad
Culberson	Keller	Regula
Davis (KY)	King (IA)	Rehberg

Reichert  
Renzi  
Rogers (AL)  
Rogers (KY)  
Rogers (MI)  
Rohrabacher  
Ros-Lehtinen  
Roskam  
Royce  
Ryan (WI)  
Sali  
Schmidt  
Sensenbrenner  
Sessions

Shadegg  
Shays  
Shimkus  
Shuster  
Simpson  
Smith (NE)  
Smith (TX)  
Souder  
Stearns  
Sullivan  
Terry  
Thornberry  
Tiahrt  
Turner

Upton  
Walberg  
Walden (OR)  
Weller  
Westmoreland  
Whitfield  
Wicker  
Wilson (NM)  
Wilson (SC)  
Wolf  
Young (AK)  
Young (FL)

Wexler  
Wilson (OH)  
  
Carson  
Cubin  
Hooley  
Hunter

Woolsey  
Wu  
  
Jindal  
Kind  
Matheson  
Miller, Gary  
  
Neugebauer  
Paul  
Spratt  
Tancredo

Kagen  
Kanjorski  
Kaptur  
Keller  
Kennedy  
Kildee  
Kilpatrick  
Kind  
King (NY)  
Kirk  
Klein (FL)  
Knollenberg  
Kucinich  
Kuhl (NY)  
LaHood  
Lampson  
Langevin  
Lantos  
Larsen (WA)  
Larson (CT)  
Latham  
LaTourette  
Lee  
Levin  
Lewis (GA)  
Lipinski  
LoBiondo  
Loeb sack  
Lofgren, Zoe  
Lungren, Daniel  
E.  
Lynch  
Mahoney (FL)  
Maloney (NY)  
Markey  
Matsui  
McCarthy (NY)  
McCollum (MN)  
McCotter  
McDermott  
McGovern  
McHenry  
McHugh  
McIntyre  
McNerney  
McNulty  
Meek (FL)  
Meeks (NY)  
Melancon  
Michaud  
Miller (MI)  
Miller (NC)  
Miller, George  
Mitchell  
Mollohan  
Moore (KS)  
Moore (WI)

Moran (KS)  
Moran (VA)  
Murphy (CT)  
Murphy, Patrick  
Murphy, Tim  
Murtha  
Nadler  
Napolitano  
Neal (MA)  
Nunes  
Oberstar  
Obey  
Oliver  
Ortiz  
Pallone  
Pascarell  
Pastor  
Payne  
Perlmutter  
Peterson (MN)  
Pickering  
Platts  
Pomeroy  
Price (NC)  
Pryce (OH)  
Putnam  
Rahall  
Ramstad  
Rangel  
Regula  
Reichert  
Renzi  
Reyes  
Reynolds  
Richardson  
Rodriguez  
Rogers (MI)  
Ros-Lehtinen  
Ross  
Rothman  
Roybal-Allard  
Ruppersberger  
Rush  
Ryan (OH)  
Salazar  
Sánchez, Linda  
T.  
Sanchez, Loretta  
Sarbanes  
Saxton  
Schakowsky  
Schiff  
Schmidt  
Schwartz  
Scott (GA)  
Scott (VA)  
Serrano  
Sessions

Sestak  
Shays  
Shea-Porter  
Sherman  
Shuler  
Sires  
Skelton  
Slaughter  
Smith (NJ)  
Smith (WA)  
Snyder  
Solis  
Space  
Stark  
Stupak  
Sutton  
Tanner  
Tauscher  
Taylor  
Terry  
Thompson (CA)  
Thompson (MS)  
Thornberry  
Tiahrt  
Tiberi  
Tierney  
Towns  
Tsongas  
Turner  
Udall (CO)  
Udall (NM)  
Upton  
Van Hollen  
Velázquez  
Visclosky  
Walberg  
Walsh (NY)  
Walz (MN)  
Wasserman  
Schultz  
Waters  
Watson  
Watt  
Waxman  
Weiner  
Welch (VT)  
Weller  
Wexler  
Whitfield  
Wilson (NM)  
Wilson (OH)  
Wolf  
Woolsey  
Wu  
Wynn  
Yarmuth  
Young (FL)

## NAYS—246

Abercrombie  
Ackerman  
Allen  
Altmire  
Andrews  
Arcuri  
Baca  
Baird  
Baldwin  
Barrow  
Bean  
Becerra  
Berkley  
Berman  
Berry  
Bishop (GA)  
Bishop (NY)  
Blumenauer  
Boren  
Boswell  
Boucher  
Boyd (FL)  
Brady (PA)  
Braley (IA)  
Brown, Corrine  
Butterfield  
Capps  
Capuano  
Cardoza  
Carnahan  
Carney  
Castor  
Chandler  
Clarke  
Clay  
Clever  
Clyburn  
Cohen  
Conyers  
Cooper  
Costa  
Costello  
Courtney  
Cramer  
Crowley  
Cuellar  
Cummings  
Donnelly  
Doyle  
Edwards  
Ellison  
Ellsworth  
Emanuel  
Engel  
Eshoo  
Etheridge  
Farr  
Fattah  
Ferguson  
Filner  
Fossella  
Frank (MA)  
Frelinghuysen  
Gerlach  
Giffords  
Gillibrand  
Gonzalez  
Gordon  
Green, Al

Green, Gene  
Grijalva  
Gutierrez  
Hall (NY)  
Hare  
Harman  
Hastings (FL)  
Herseth Sandlin  
Higgins  
Hill  
Hinchey  
Hinojosa  
Hirono  
Hodes  
Holden  
Holt  
Honda  
Hoyer  
Inslee  
Israel  
Jackson (IL)  
Jackson-Lee  
(TX)  
Jefferson  
Johnson (GA)  
Johnson, E. B.  
Jones (OH)  
Kagen  
Kanjorski  
Kaptur  
Kennedy  
Kildee  
Kilpatrick  
King (NY)  
Kingston  
Kirk  
Klein (FL)  
Kucinich  
Kuhl (NY)  
Lampson  
Langevin  
Lantos  
Larsen (WA)  
Larson (CT)  
Lee  
Levin  
Lewis (GA)  
Lipinski  
LoBiondo  
Loeb sack  
Lofgren, Zoe  
Lowey  
Lynch  
Mack  
Mahoney (FL)  
Maloney (NY)  
Markey  
Matsui  
McCarthy (NY)  
McCormack (MN)  
McDermott  
McGovern  
McHugh  
McIntyre  
McMorris  
McNulty  
Meek (FL)  
Meeks (NY)  
Melancon  
Michaud  
Miller (NC)  
Miller, George  
Mitchell  
Mollohan  
Moore (KS)  
Moore (WI)  
Moran (VA)  
Murphy (CT)  
Murphy, Patrick  
Murtha

Nadler  
Napolitano  
Neal (MA)  
Oberstar  
Obey  
Oliver  
Ortiz  
Pallone  
Pascarell  
Pastor  
Payne  
Perlmutter  
Peterson (MN)  
Pomeroy  
Price (NC)  
Rahall  
Rangel  
Reyes  
Reynolds  
Richardson  
Rodriguez  
Ross  
Rothman  
Roybal-Allard  
Ruppersberger  
Rush  
Ryan (OH)  
Salazar  
Sánchez, Linda  
T.  
Sanchez, Loretta  
Sarbanes  
Saxton  
Schakowsky  
Schiff  
Schwartz  
Scott (GA)  
Scott (VA)  
Serrano  
Sestak  
Shea-Porter  
Sherman  
Shuler  
Sires  
Skelton  
Slaughter  
Smith (NJ)  
Smith (WA)  
Snyder  
Solis  
Space  
Stark  
Stupak  
Sutton  
Tanner  
Tauscher  
Taylor  
Thompson (CA)  
Thompson (MS)  
Tiberi  
Tierney  
Towns  
Tsongas  
Udall (CO)  
Udall (NM)  
Van Hollen  
Velázquez  
Visclosky  
Walsh (NY)  
Walz (MN)  
Wamp  
Wasserman  
Schultz  
Waters  
Watson  
Watt  
Waxman  
Weiner  
Welch (VT)  
Weldon (FL)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE  
The SPEAKER pro tempore (during the vote). Members are advised there are 2 minutes remaining on this vote.

□ 1638

Messrs. SAXTON, DENT, RUSH, GERLACH, LINCOLN DAVIS of Tennessee and Ms. SOLIS changed their vote from “yea” to “nay.”

Messrs. SULLIVAN, CAMP of Michigan, LATHAM, WICKER and Ms. GINNY BROWN-WAITE of Florida changed their vote from “nay” to “yea.”

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

## RECORDED VOTE

Mr. FERGUSON. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 303, noes 116, not voting 12, as follows:

[Roll No. 1150]

## AYES—303

Abercrombie  
Ackerman  
Allen  
Altmire  
Andrews  
Arcuri  
Baca  
Baird  
Baldwin  
Barrow  
Bean  
Becerra  
Berkley  
Berman  
Bilirakis  
Bishop (GA)  
Bishop (NY)  
Blumenauer  
Bono  
Boozman  
Boren  
Boswell  
Boucher  
Boyd (FL)  
Boyda (KS)  
Brady (PA)  
Braley (IA)  
Brown (SC)  
Brown, Corrine  
Brown-Waite,  
Ginny  
Buchanan  
Butterfield  
Calvert  
Cantor  
Capito  
Capps  
Capuano  
Cardoza  
Carnahan  
Carney  
Carter  
Castor  
Chandler  
Clarke

Clay  
Clever  
Clyburn  
Coble  
Cohen  
Conyers  
Cooper  
Costa  
Courtney  
Cramer  
Crowley  
Cuellar  
Cummings  
Davis (AL)  
Davis (CA)  
Davis (IL)  
Davis, Lincoln  
Davis, Tom  
DeFazio  
DeGette  
DeLauro  
Dent  
Diaz-Balart, L.  
Diaz-Balart, M.  
Dicks  
Dingell  
Doggett  
Donnelly  
Doyle  
Edwards  
Ellison  
Ellsworth  
Emanuel  
Emerson  
Engel  
English (PA)  
Eshoo  
Etheridge  
Farr  
Fattah  
Ferguson  
Filner  
Fortenberry  
Fossella

Frank (MA)  
Frelinghuysen  
Gerlach  
Giffords  
Gilchrist  
Gillibrand  
Gonzalez  
Goodlatte  
Gordon  
Graves  
Green, Al  
Green, Gene  
Grijalva  
Gutierrez  
Hall (NY)  
Hall (TX)  
Hare  
Harman  
Hastings (FL)  
Hayes  
Herger  
Herseth Sandlin  
Higgins  
Hill  
Hinchey  
Hinojosa  
Hirono  
Hobson  
Hodes  
Hoekstra  
Holden  
Holt  
Honda  
Hoyer  
Hulshof  
Inlee  
Israel  
Jackson (IL)  
Jackson-Lee  
(TX)  
Jefferson  
Johnson (GA)  
Johnson, E. B.  
Jones (NC)  
Jones (OH)

Kagan  
Kanjorski  
Kaptur  
Keller  
Kennedy  
Kildee  
Kilpatrick  
Kind  
King (NY)  
Kirk  
Klein (FL)  
Knollenberg  
Kucinich  
Kuhl (NY)  
LaHood  
Lampson  
Langevin  
Lantos  
Larsen (WA)  
Larson (CT)  
Latham  
LaTourette  
Lee  
Levin  
Lewis (GA)  
Lipinski  
LoBiondo  
Loeb sack  
Lofgren, Zoe  
Lungren, Daniel  
E.  
Lynch  
Mahoney (FL)  
Maloney (NY)  
Markey  
Matsui  
McCarthy (NY)  
McCollum (MN)  
McCotter  
McDermott  
McGovern  
McHenry  
McHugh  
McIntyre  
McNerney  
McNulty  
Meek (FL)  
Meeks (NY)  
Melancon  
Michaud  
Miller (MI)  
Miller (NC)  
Miller, George  
Mitchell  
Mollohan  
Moore (KS)  
Moore (WI)

Moran (KS)  
Moran (VA)  
Murphy (CT)  
Murphy, Patrick  
Murphy, Tim  
Murtha  
Nadler  
Napolitano  
Neal (MA)  
Nunes  
Oberstar  
Obey  
Oliver  
Ortiz  
Pallone  
Pascarell  
Pastor  
Payne  
Perlmutter  
Peterson (MN)  
Pickering  
Platts  
Pomeroy  
Price (NC)  
Pryce (OH)  
Putnam  
Rahall  
Ramstad  
Rangel  
Regula  
Reichert  
Renzi  
Reyes  
Reynolds  
Richardson  
Rodriguez  
Rogers (MI)  
Ros-Lehtinen  
Ross  
Rothman  
Roybal-Allard  
Ruppersberger  
Rush  
Ryan (OH)  
Salazar  
Sánchez, Linda  
T.  
Sanchez, Loretta  
Sarbanes  
Saxton  
Schakowsky  
Schiff  
Schmidt  
Schwartz  
Scott (GA)  
Scott (VA)  
Serrano  
Sessions

## NOES—116

Aderholt  
Akin  
Alexander  
Bachmann  
Bachus  
Baker  
Barrett (SC)  
Bartlett (MD)  
Barton (TX)  
Berry  
Biggart  
Bilbray  
Bishop (UT)  
Blackburn  
Blunt  
Boehner  
Bonner  
Boustany  
Brady (TX)  
Broun (GA)  
Burgess  
Burton (IN)  
Buyer  
Camp (MI)  
Campbell (CA)  
Cannon  
Castle  
Chabot  
Cole (OK)  
Conaway  
Costello  
Crenshaw  
Culberson  
Davis (KY)  
Davis, David  
Deal (GA)  
Doolittle  
Drake

Dreier  
Duncan  
Ehlers  
Everett  
Fallin  
Feeney  
Flake  
Forbes  
Foxy  
Franks (AZ)  
Gallegly  
Garrett (NJ)  
Gingrey  
Goode  
Granger  
Hastings (WA)  
Heller  
Hensarling  
Inglis (SC)  
Issa  
Johnson (IL)  
Johnson, Sam  
Jordan  
King (IA)  
Kingston  
Kline (MN)  
Lamborn  
Lewis (CA)  
Lewis (KY)  
Linder  
Lucas  
Mack  
Manzullo  
Marchant  
Marshall  
McCarthy (CA)  
McCaul (TX)  
McCrery

McKeon  
McMorris  
Rodgers  
Mica  
Miller (FL)  
Musgrave  
Myrick  
Pearce  
Pence  
Peterson (PA)  
Petri  
Pitts  
Poe  
Porter  
Price (GA)  
Radanovich  
Rehberg  
Rogers (AL)  
Rogers (KY)  
Rohrabacher  
Roskam  
Royce  
Ryan (WI)  
Sali  
Sensenbrenner  
Shadegg  
Shimkus  
Shuster  
Simpson  
Smith (NE)  
Smith (TX)  
Souder  
Stearns  
Sullivan  
Walden (OR)



Wamp Westmoreland Wilson (SC)  
Weldon (FL) Wicker Young (AK)

## NOT VOTING—12

Carson Hunter Neugebauer  
Cubin Jindal Paul  
Gohmert Matheson Spratt  
Hooley Miller, Gary Tancredo

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised 2 minutes remain in this vote.

□ 1647

Mr. MARCHANT changed his vote from “aye” to “no.”

Mr. GOODLATTE changed his vote from “no” to “aye.”

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

# CONFERENCE REPORT ON H.R. 1585, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2008

The SPEAKER pro tempore. The unfinished business is on agreeing to the conference report on the bill (H.R. 1585), on which the yeas and nays were ordered.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on agreeing to the conference report.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 370, nays 49, not voting 12, as follows:

[Roll No. 1151]

## YEAS—370

Abercrombie	Broun (GA)	Davis, Lincoln
Ackerman	Brown (SC)	Davis, Tom
Aderholt	Brown, Corrine	Deal (GA)
Akin	Brown-Waite,	DeGette
Alexander	Ginny	Delahunt
Allen	Buchanan	DeLauro
Altmire	Burgess	Dent
Andrews	Burton (IN)	Diaz-Balart, L.
Arcuri	Butterfield	Diaz-Balart, M.
Baca	Buyer	Dicks
Bachmann	Calvert	Dingell
Bachus	Camp (MI)	Donnelly
Baird	Campbell (CA)	Doolittle
Baker	Cannon	Doyle
Barrett (SC)	Cantor	Drake
Barrow	Capito	Dreier
Bartlett (MD)	Capps	Edwards
Barton (TX)	Cardoza	Ehlers
Bean	Carnahan	Ellsworth
Becerra	Carney	Emanuel
Berkley	Carter	Emerson
Berman	Castle	Engel
Berry	Castor	English (PA)
Biggert	Chabot	Eshoo
Bilbray	Chandler	Etheridge
Bilirakis	Clay	Everett
Bishop (GA)	Clyburn	Fallin
Bishop (NY)	Coble	Farr
Bishop (UT)	Cohen	Feeney
Blackburn	Cole (OK)	Ferguson
Blumenauer	Conaway	Flake
Blunt	Cooper	Forbes
Boehner	Costa	Fortenberry
Bonner	Costello	Fossella
Bono	Courtney	Fox
Boozman	Cramer	Franks (AZ)
Boren	Crenshaw	Frelinghuysen
Boswell	Crowley	Gallely
Boucher	Cuellar	Garrett (NJ)
Boustany	Culberson	Gerlach
Boyd (FL)	Cummings	Giffords
Boyd (KS)	Davis (AL)	Gilchrest
Brady (PA)	Davis (CA)	Gillibrand
Brady (TX)	Davis (KY)	Gingrey
Braley (IA)	Davis, David	Gohmert

Gonzalez	Mahoney (FL)	Royce
Goodlatte	Maloney (NY)	Ruppersberger
Gordon	Manzullo	Rush
Granger	Marchant	Ryan (OH)
Graves	Matsui	Ryan (WI)
Green, Al	McCarthy (CA)	Salazar
Green, Gene	McCarthy (NY)	Sali
Hall (NY)	McCaul (TX)	Sánchez, Linda
Hall (TX)	McCollum (MN)	T.
Hare	McCotter	Sanchez, Loretta
Harman	McCrery	Sarbanes
Hastings (FL)	McHenry	Saxton
Hastings (WA)	McHugh	Schiff
Hayes	McIntyre	Schmidt
Heller	McKeon	Schwartz
Hensarling	McMorris	Scott (GA)
Herger	Rodgers	Scott (VA)
Herseeth Sandlin	McNerney	Sessions
Higgins	McNulty	Sestak
Hill	Meek (FL)	Shadegg
Hinojosa	Melancon	Shays
Hirono	Mica	Shea-Porter
Hobson	Miller (FL)	Sherman
Hodes	Miller (MI)	Shimkus
Hoekstra	Miller (NC)	Shuler
Holden	Mitchell	Shuster
Holt	Mollohan	Simpson
Honda	Moore (KS)	Sires
Hoyer	Moran (KS)	Skelton
Hulshof	Moran (VA)	Slaughter
Inglis (SC)	Murphy (CT)	Smith (NE)
Inslee	Murphy, Patrick	Smith (NJ)
Israel	Murphy, Tim	Smith (TX)
Issa	Murtha	Smith (WA)
Jefferson	Musgrave	Snyder
Johnson (GA)	Myrick	Solis
Johnson (IL)	Nadler	Souder
Johnson, E. B.	Napolitano	Space
Johnson, Sam	Neal (MA)	Stearns
Jones (NC)	Nunes	Stupak
Jordan	Oberstar	Sullivan
Kagen	Obey	Sutton
Kanjorski	Ortiz	Tanner
Kaptur	Pascrell	Tauscher
Keller	Pearce	Taylor
Kennedy	Pence	Terry
Kildee	Perlmutter	Thompson (CA)
Kilpatrick	Peterson (MN)	Thompson (MS)
Kind	Peterson (PA)	Thornberry
King (IA)	Pickering	Tiahrt
King (NY)	Pitts	Tiberi
Kingston	Platts	Tsongas
Kirk	Poe	Turner
Klein (FL)	Pomeroy	Udall (CO)
Kline (MN)	Porter	Udall (NM)
Knollenberg	Price (GA)	Upton
Kuhl (NY)	Price (NC)	Van Hollen
LaHood	Pryce (OH)	Visclosky
Lamborn	Putnam	Walberg
Lampson	Radanovich	Walden (OR)
Langevin	Rahall	Walsh (NY)
Lantos	Ramstad	Walz (MN)
Larsen (WA)	Rangel	Wamp
Larson (CT)	Regula	Wasserman
Latham	Rehberg	Schultz
LaTourette	Reichert	Watt
Levin	Renzi	Waxman
Lewis (CA)	Reyes	Weiner
Lewis (KY)	Reynolds	Weldon (FL)
Linder	Richardson	Weller
Lipinski	Rodriguez	Westmoreland
LoBiondo	Rogers (AL)	Wexler
Loeb sack	Rogers (KY)	Whitfield
Lofgren, Zoe	Rogers (MI)	Wicker
Lowe y	Rohrabacher	Wilson (NM)
Lucas	Ros-Lehtinen	Wilson (OH)
Lungren, Daniel	Roskam	Wilson (SC)
E.	Ross	Wolf
Lynch	Rothman	Young (AK)
Mack	Roybal-Allard	Young (FL)

## NAYS—49

Baldwin	Jackson (IL)	Payne
Capuano	Jackson-Lee	Petri
Clarke	(TX)	Schakowsky
Cleaver	Jones (OH)	Sensenbrenner
Conyers	Kucinich	Serrano
Davis (IL)	Lee	Stark
DeFazio	Lewis (GA)	Tierney
Doggett	Markey	Towns
Duncan	McDermott	Velázquez
Ellison	McGovern	Waters
Fattah	Meeks (NY)	Watson
Filner	Michaud	Welch (VT)
Frank (MA)	Miller, George	Woolsey
Goode	Moore (WI)	Wu
Grijalva	Olver	Wynn
Gutierrez	Pallone	Yarmuth
Hinche y	Pastor	

## NOT VOTING—12

Carson	Jindal	Neugebauer
Cubin	Marshall	Paul
Hooley	Matheson	Spratt
Hunter	Miller, Gary	Tancredo

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised 2 minutes remain in this vote.

□ 1655

Messrs. DAVIS of Illinois, FATTAH, GEORGE MILLER of California and DEFAZIO changed their vote from “yea” to “nay.”

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. MARSHALL. Mr. Speaker, on rollcall No. 1151, H.R. 1585, The National Defense Authorization Act for Fiscal Year 2008, In inadvertently failed to record my vote. But for this oversight, I would have voted “yea.”

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Ms. Wanda Evans, one of his secretaries.

## AMT RELIEF ACT OF 2007

Mr. RANGEL. Mr. Speaker, pursuant to House Resolution 861, I call up the bill (H.R. 4351) to amend the Internal Revenue Code of 1986 to provide individuals temporary relief from the alternative minimum tax, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 4351

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

## SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the “AMT Relief Act of 2007”.

(b) REFERENCE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title, etc.

## TITLE I—INDIVIDUAL TAX RELIEF

Sec. 101. Extension of alternative minimum tax relief for nonrefundable personal credits.

Sec. 102. Extension of increased alternative minimum tax exemption amount.

Sec. 103. Increase of AMT refundable credit amount for individuals with long-term unused credits for prior year minimum tax liability, etc.

Sec. 104. Refundable child credit.